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Laborite wins poll SDP's showing remarkable

LONDON, July 17 (R) — Britain's new Social Democratic Party (SDP) Friday looked set to become a major political force after a remarkable performance in its first parliamentary by-election. Roy Jenkins, former president of the European Economic Community (EEC) Commission, came close to unseating the opposition Labor Party in an election Thursday in the Labor stronghold of Warrington.

Jenkins, fighting with the support of the minority Liberal Party, polled 42 percent of the vote against 48 percent for Labor left-winger Doug Hoyle. Labor's majority of 10,274 at the 1979 general election was cut to 1,759. It was a major success in the SDP's campaign to win the center-left ground of British politics and break the traditional two-party domination.

Jenkins and three other former Labor cabinet ministers quit Labor because of its increasingly leftist policies and launched the SDP in March. The party has 15 members in the House of Commons — 14 Labor defectors and one former Conservative — but it has yet to win a parliamentary election.

Opinion polls have predicted an SDP-Liberal alliance could win the next general election. But it may not be called until 1984 and such early polls have often proved unreliable. Newspapers hailed the Warrington result as sensational. The *Guardian* called it the most stupendous achievement by any party in any by-election in postwar history.

Jenkins said the result showed the SDP was a major presence in British politics. "These figures mean, translated on to the national scene, that we have the prospect of an SDP-Liberal government with an overwhelming majority," he said. "I have taken part in 12 elections. This is the first I have lost in 35 years, but it is by far the greatest victory in which I have participated."

The SDP crushed the Conservative Party as well as making severe inroads into Labor's support. The Conservative candidate, London bus driver Stan Sorrell, polled only seven percent of the vote, against 28 percent for his party in 1979.

It was a humiliating defeat for Prime Minister Margaret Thatcher, whose monetarist economic policies are blamed for Britain's high jobless rate, now 11 percent of the work force.

Ruling parties usually fare badly in midterm by-elections, but at Warrington the swing was against Labor as well. When the result was announced Jenkins pointed out that Labor had collected the worst vote in Warrington for 50 years.

Observers blamed Labor's poor showing on the party's internal left-right wrangling, in which Hoyle has consistently supported the left wing led by Tony Benn. Labor Party leader Michael Foot said the by-election result was "a crushing vote of no confidence in the government."

Lord Thorneycroft, chairman of the Conservative Party, said the result offered no certain guide to what might happen elsewhere and added: "The message from Warrington is directed more to Mr. Benn and Mr. Foot than to Mrs. Thatcher."



UNCIVILIZED CONDUCT: U.S. Senate candidate John Rogers throws a right-hand punch at television news reporter Loren Tobia at a press conference at Charleston Thursday. Rogers, an attorney who had just announced his candidature for the Senate in 1982, rushed at Tobia and punched him after the reporter asked him a question, which infuriated the candidate.

EEC steel units retrench 73,000

BRUSSELS, July 17 (AFP) — Some 73,000 jobs were lost in the European Economic Community (EEC) steel industry in the 12 months ending April 30, 1981, and 43,000 of these were in Britain, EEC figures showed Friday. During the year, the EEC steel industry had a total workforce of 578,000 against 651,000 in the previous year.

After Britain, other reductions were in France (15,000), West Germany (1,008), Benelux countries (6,000). Italy's workforce was unchanged.

Dockmen threaten strike

Poles await party poll results

WARSAW, July 17 (AFP) — Suspense mounted here Friday as Poland waited for the results of the vote by delegates at the Polish Communist Party congress who selected party officials in the first secret ballot ever in Eastern Europe.

The 1,955 delegates finished voting Thursday night for 430 candidates for full and deputy members of the party's central committee and various other committees, sources close to the congress said.

They said the delay in the results was due to the complexity of the voting system. Delegates were reportedly given a total of eight lists to fill out for the various positions.

Meanwhile, union leaders of some 40,000 dockers at major Baltic ports — including those that set off Poland's domestic turmoil last summer — have called for an indefinite strike next Thursday following a breakdown in negotiations with the Polish Maritime Bureau, union sources said Friday.

The strike was being organized to protest against the government's refusal to ratify an accord concluded on May 5 that called for better salaries and working conditions. Key areas of conflict include seniority bonuses and sick pay.

At the congress, a number of delegates protested against the voting procedures, saying that they favored candidates whose names appeared on the first of two lists for each set of positions.

Before the vote, first secretary Stanislaw Kania appealed to delegates to take into account Poland's international responsibilities when voting. Kania said that he had promised Poland's neighbors that the party "would win the congress."

According to a few details filtering out of the congress, some delegates took great pains to keep their neighbors from seeing their ballots, while others charged that there were too many candidates drawn from the government and central administration in the race. The delegates have been in close touch with their base constituencies during the congress, keeping telex and telephone lines busy.

Meanwhile, independent unionists met in Lodz in central Poland Friday to discuss "grave" problems.

Solidarity Union sources at the Polish national airline, Lot, said however, they believed a threatened all-out strike might be settled before next Monday's deadline with a government concession to approve their choice of a director.

New tensions emerged Friday when Solidarity officials in Pila, in northwest Poland, reported security police and legal officials had raided a regional union office and closed down its printing operation, seized brochure and Solidarity publications.

Israelis pound Beirut; 123 die, 500 injured

BEIRUT, July 17 (Agencies) — One hundred and twenty-three persons were killed and more than 500 wounded in heavy Israeli air attacks on Beirut and south Lebanon Friday, the Palestine news agency WAFA reported.

The raids hit at Palestinian positions in south Beirut, local residents reported. The radio of the right-wing Phalangist Party said Syrian troops fired ground-to-air missiles at the attackers and a plane was seen falling into the sea, but there was no immediate confirmation.

Black smoke rose to the sky and the earth shook as bombs ripped through Palestinian earthworks, set up to protect anti-aircraft batteries. The residents said some bombs landed near the Kuwait embassy.

Sabra and Shatila refugee camps in the south Beirut were hit in the strike. Several ambulances rushed toward the scene of the

attack as Beirut residents took refuge in basements. There was heavy anti-aircraft fire. Some residents opened up with small arms as the planes flew low over west Beirut.

The Palestinians have their political headquarters in a suburb of west Beirut, close to the scene of the raid.

The Israeli chief of staff, Gen. Rafael Eitan, said on radio Friday that all of Israel's citizens were at war with the commandos but those who lived on the northern border with Lebanon were in the front line.

An Israeli military spokesman claimed they had destroyed the headquarters of two big Palestinian commando organizations. Israeli pilots also claimed they scored direct hits on the headquarters of Fateh command and the Democratic Front for the Liberation of Palestine (DFLP).

Local residents said the Israeli planes pounded Palestinian positions in the south-

ern part of the capital close to the international airport.

The Israeli attack was made on the same day that the United States was expected to announce its decision on resuming shipments of F-16 fighter plane to Israel.

Eyewitnesses in south Beirut said about 12 Israeli planes made three passes over Palestinian positions. President Elias Sarkis called in the Soviet and American ambassadors to discuss the raids. Lebanese officials said. They also said Lebanon would demand a meeting of the U.N. Security Council.

A statement from Israeli Prime Minister Menahem Begin's office said Israel would continue to attack commando positions even if they were located in or near population centers. "The responsibility falls on those who claim immunity while risking the lives of civilians," the statement said.

(Continued on back page)

Calm reigns in U.K. cities

LONDON, July 17 (Agencies) — Calm returned to the streets of Britain's cities Thursday night after 13 straight nights of urban rioting — the worst mass violence month of the mainland this century.

By 03.30 local time (02.30 GMT), police throughout the country reported no recurrence of the wave of violence that has swept across the country over the past two weeks resulting in more than 3,000 arrests. Normally, the riots have begun shortly after midnight local time and have been over within a few hours.

Earlier Thursday, in an eight-hour parliamentary debate on the riots, Home Secretary William Whitelaw announced that two government ministers will be dispatched to the riot zones of Liverpool to investigate inner city conditions. The one-third black Toxteth district of the northwest port was torn by some of the worst rioting. Whitelaw also announced a special inquiry into Wednesday's pre-dawn police raid on West Indian premises in the south London suburb of Brixton which sparked off fresh violence there last Wednesday night.

He told legislators Thursday that although the immediate task of the government was to "remove the scourge of civil violence" from Britain's streets, "at the same time we must develop policies of mutual toleration on which the whole future of our British democratic society depends." Amid uproar among legislators, Whitelaw's generally-supported comments were challenged by leading anti-immigration campaigner Enoch Powell who said the opposite.

The rising non-white population in Britain would render many of Britain's streets "ungovernable," said Powell, a member of Northern Ireland's Protestant Ulster Unionist Party who quit the Conservatives in 1974. The recent riots, said Powell — a former health minister — had brought many people to accept the need for measures to stop what he termed "the inevitable increase and doubling" of the non-white population.

Non-white immigration has been constantly reduced through successive controls imposed over the past 15 years by both Conservative and Labor administrations. The country's current 2.4 million non-whites form 4 percent of the population.

In a bitter attack on Powell, Environment Secretary Michael Heseltine — one of the ministers being sent to Liverpool to root out the causes of the riots — said the maverick politician's remarks would only "foment the very anxieties and tensions you are forecasting." Heseltine also partly blamed Britain's powerful trade unions for the decline of jobs in inner cities.

He was heckled by opposition Laborites — traditional allies of the unions — as he condemned unions for using "monopolistic power in a way that has destroyed jobs!"

Ottawa summit to discuss EEC's links with Russia

WASHINGTON, July 17 (R) — Secretary of State Alexander Haig has said the seven-nation economic summit in Ottawa next week would discuss U.S. concerns over Western Europe's growing trade and energy links with the Soviet Union.

He told a press conference the issue was put on the agenda at the request of the United States and "we look for a probing discussion on bringing...economic relations into line with our political and security objectives."

The Reagan administration, which has challenged Moscow's world-wide politics, is concerned about the export of high technology to the Eastern bloc and possible West European dependence on the Soviet Union because of purchases of natural gas from that country.

The two-day summit opening Monday will bring together President Reagan and the leaders of Britain, Canada, France, West

Germany, Italy and Japan for talks on a wide range of economic and political issues. Haig said he did not expect major accords, but predicted harmonious meetings, "without confrontations," despite disagreement over economic and other policies.

In Paris, a presidential spokesman said Thursday President Francois Mitterrand will bring up Europe's displeasure with the United States's high interest rates in a private meeting with President Reagan before the start of the summit.

Spokesman Michel Vauzelle said Mitterrand would meet Reagan for about 90 minutes Sunday in the Canadian capital. He said Mitterrand's discussion with Reagan would be guided by "firmness and frankness".

The spokesman also said the French president would underline that social problems must be considered in the search for solutions to the world economic problems.

Russia hikes spending \$136b U.S. defense bill voted

WASHINGTON, July 17 (R) — The U.S. House of Representatives has approved a record \$136 billion defense bill, \$26 billion more than for the current financial year.

The figure represents about 60 percent of the total amount requested by the Reagan administration for the defense establishment in the year starting October 1. The bill authorizes funds to buy ships, planes and weapons and also covers research and development and operation and maintenance. It now goes to a committee of the house and Senate to be reconciled with a bill previously passed by the Senate.

During a lengthy debate Thursday, the house voted to allow military personnel to make arrests and seizures offshore in narcotics smuggling cases and overwhelmingly rejected an effort to kill the controversial MX missile.

In Moscow, a senior Soviet defense official

warned Thursday that the Soviet Union has started to strengthen its strategic nuclear arsenal to counter increased U.S. military spending. Marshall Nikolai Ogarkov, Soviet armed forces chief of staff and deputy defense minister, said the Kremlin ordered the build-up because the Reagan administration was pursuing an unfettered arms race.

He made the comments in an article for the theoretical journal *Kommunist*, published by the central committee of the Soviet Communist Party and excerpted by the official news agency Tass. "In this, special attention is being given to those forces and weapons which ensure the highest degree of might in the army and navy," Ogarkov wrote.

Meanwhile, U.S. Defense Secretary Caspar Weinberger will publish evidence that the Soviet Union has deployed up to 300 mobile SS-20 missiles, two-thirds of them aimed at Western Europe, Pentagon officials said.

By Adil Salahi
Religious Editor

The month of Ramadan has witnessed many an occasion of vital importance in Islamic history. Among the earliest and greatest of these are the battle of Badr and the conquest of Makkah.

The Battle of Badr which took place on the 17th day of Ramadan (corresponds today) in the second year after the Prophet's immigration to Medina, i.e. 1401 years ago to the day, was the first major armed confrontation between the Muslims and the disbelievers in Makkah. The Prophet and his 300 or so followers in Makkah had to immigrate one year earlier after enduring much hardship. In Medina Islam was making much headway over the preceding few years. When the Makkah Muslims immigrated to Medina they were received with warm welcome by their ethnic brethren. The establishment of a firm bond of brotherhood between the immigrants and the Medinan Muslims was among the top priorities of the Prophet as he settled in his new city.

At first, The Makkans viewed these developments in Medina with little concern. Their initial reaction was one of hope that the

crisis brought about by Muhammad and his new call was over. They soon began to realize, however, that Muhammad was getting stronger and stronger. As a few skirmishes between the Muslims and the disbelievers in Makkah erupted the latter's attitude began to acquire a complexion of deep concern. Matters were soon to come to a head.

At Medina the Muslims were in a favorable position to threaten the trade route between Makkah and Syria which was indeed an economic lifeline for Quraysh. When the Makkah Muslims immigrated to Medina they had to leave behind their homes and most of their belongings. Quraysh did not lose much time before it laid its hands on all that belonged to its departing sons. So it was only natural, given the tribal nature of the Arabian society at the time, that the Muslims should think of getting back what they owned by right.

In the middle of the second year after the Prophet's immigration to Medina a large trade caravan led by Abu Sufian, the chief of the Umayyah clan of Quraysh, was on its way

back from Syria to Makkah. The Prophet proposed to confiscate the caravan as a retaliatory measure to Quraysh's confiscation of the Muslims' property in Makkah. He marched with 313 of his companions, poorly equipped, to capture the caravan. The Prophet had a second and more important objective, namely, to demonstrate to the Makkans and to the whole of Arabia that Quraysh was no longer the undisputed masters of Arabia.

Receiving intelligence of the Prophet's intentions, Abu Sufian took two simultaneous steps: he sent to Quraysh in Makkah for support and he changed his route and was able to elude his chasers.

Back in Makkah, Abu Jahl, the chief opponent of Islam raised an army, 1,000 men strong, well equipped with arms and horses and marched to defend their threatened caravan. Before they had moved from Makkah they received word from Abu Sufian that he managed to elude the Muslims and the caravan was safe. Some of the Makkah notables felt that there was no longer any need

for the army to march. Abu Jahl, however, argued that a demonstration of force is very important to safeguard Quraysh's position in Arabia. His plan was to march to Badr, an open plain, rich with water, about 160 km. from Medina and 325 km. from Makkah.

Having missed out on the caravan the Prophet and his ill equipped companions heard that the Makkans were marching toward them. They had to decide whether to go back to Medina or to face the approaching force which outnumbered them by three to one in addition to their far superior equipment. It was not an easy decision. The Prophet sought advice from his companions.

They were unanimous in opting for standing up to Quraysh. The Prophet was especially happy when he realized that the Medinan Muslims, who were called Al-Ansar (i.e. the supporters), preferred that option. Before his immigration Al-Ansar had given him their pledge to defend him against all his enemies. They made it clear, however, that their pledge became effective only when he arrived

in Medina. He, therefore, felt that they might be of the opinion that their obligation is limited to defending him against any enemy attacking him in Medina, and that it did not apply when he marched to meet the enemy outside. When they reassured him of their readiness for battle anywhere and against all his enemies he was more than happy.

The two forces met at Badr. The battle, which lasted for one day, ended in a resounding victory for the Muslims who killed seventy and captured a similar number of the disbelievers for the loss of 13 martyrs. Among those killed were Abu Jahl and a number of the Makkah chiefs.

The hopes of the disbelievers to demonstrate their power were badly shattered. Indeed the balance of power in Arabia began to move clearly in favor of the Muslims. For the first time ever the Arabian tribes felt that there is a force which can successfully stand up to Quraysh. In two years time the balance would move irrevocably in favor of Islam. The change started in Badr whose name has become, in the Islamic calendar, synonymous with victory over superior forces. This is why we celebrate the Muslims' victory in Badr as its commemoration gives us hope of achieving a similar feat.

Badr: The battle we celebrate

lem during the period and report to Congress by Jan. 30.

Another measure applying only to energy companies was endorsed by the House Energy Subcommittee on finance. That bill would force foreign companies wishing to buy U.S. Energy firms to abide by laws that forbid purchases made with more than 50 percent borrowed money. Some Canadian companies have been able to make offers for U.S. companies using 100 percent borrowed funds, which U.S. firms are prohibited from doing by securities laws.

In two letters to Reagan, house Energy Committee members expressed concern Thursday over the "increasingly discriminatory policies being pursued by the government of Canada toward United States investors and American firms engaged in business activities in Canada."

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KAU boys study mining in Australia

By a Staff Writer

JEDDAH, July 17 — Eight students from King Abdul Aziz University's College of Engineering will leave in two weeks for Australia to train in two of the world's richest mines. The trip, planned for the summer vacation, is part of a program to develop the Kingdom's local expertise.

According to *Saudi Business* Saturday, the group will be divided into two — four will be allocated to the Mt. Newman iron ore mine in Western Australia and four to the historic gold town of Kalgoorlie. During the two month's on-site training, each student will receive a special vacation training salary, in

addition to food and accommodation by the mining companies, Broken Hill Proprietary, who operate Mt. Newman and the Western Mining Corporation in Kalgoorlie.

Both, the university and Australian authorities are satisfied with the scheme. It meets the university's requirement for students to carry out practical training as part of their course. For the Australians, it is seen as a natural consequence in the growth of the Saudi Arabian-Australian relations following the ratification of the Economic and Technical Cooperation Agreement earlier this year in Riyadh.

The agreement was signed last year during the visit to the Kingdom by Australia's

Deputy Prime Minister Douglas Anthony. It was ratified this year on the eve of Anthony's follow-up visit in March.

The Directorate General of Mineral Resources had launched an extensive mineral resources exploration program in the Kingdom. Western mineral exploration firms were given concessions in areas where viable mineral deposits are anticipated.

SR11.5m contract let

TAIF, July 17 (SPA) — Agriculture and Water Minister Dr. Abdul Rahman Al-Sheikh approved the awarding of a SR11.5 million contract for supplying asbestos and cement pipes for the sixth phase of Riyadh's water scheme. The contract which calls for the supply of the pipes within 13 months, was awarded to a national company.

Taif gets more mosques

TAIF, July 17 (SPA) — The number of mosques in Taif reached 2,000 with more than 3,000 people serving them, according to Hussain Muhammad Qamali the endowments director of Taif Friday. He said that 22 mosques were built in the last fiscal year and 14 are to be demolished and rebuilt this year.

With stopover in Jeddah

Three Indian cyclists tour the world

By a Staff Writer

JEDDAH, July 17 — Three young Indian cyclists arrived here Friday on their way to Yemen as part of a world tour to learn about people and places and return home to write a book about their adventures.

The three N.N. Prasad, D.N. Guruprasad and B.S. Purshotham, are graduates of commerce from Bangalore University and were already working in various trades when they



CYCLISTS: Three Indian cyclists, above, arrived in Jeddah Friday, on their way to Yemen and Africa to complete a five-year tour of the world.

COMMENT

By Jasser Al Jasser
Al Jazirah

When King Khaled made his surprise visit to France to visit the newly elected President Francois Mitterrand, it was considered by some observers to have been an opportunity seized by the Saudi Arabian leadership to obtain some benefits for the Arab and Islamic worlds. The King was in Europe at the time visiting Spain and Britain and the stopover in Paris had not been scheduled.

When he arrived there Israel had just attacked the Iraqi nuclear research reactor in a stark act of aggression and it was natural that the talks at Paris airport would have dealt with it and its grave implications. They became even more important since France was the country that had contracted to build the reactor and Saudi Arabia considered any technological advance by any Arab or Islamic country of great value to Arabs and Muslims in general.

King Khaled expressed not only his deep concern about the attack but made it clear to Mitterrand that Saudi Arabia identified itself with all Arabs and Muslims and that it was committed to helping them in any way it could. So it offered to pay the cost of rebuilding the nuclear center near Baghdad because it reaffirmed its belief in modern technology and the need to keep pace with it directly or with others.

Crown Prince Fahd, in announcing the royal offer, said that it was based on the stated government policy of supporting the Arab and Islamic states and peoples and shouldering its responsibilities fully towards them and their welfare.

This is an honorable role and responsibility as discharged by the Kingdom, government and people. We are proud of it and willing to do our best towards achieving our goals and those of our brothers.

felt the urge to visit other countries and meet their peoples. But at first they had to gain some cycling experience at different heights and learn to live in the open and clock up 200 to 500 kilometers a day while carrying a tent and sleeping bags and 20 kilograms each of other supplies.

With the assistance of the Indian authorities and the sports organizations in the country they covered 800 kilometers of various terrain. They acquired physical fitness and the capacity for cycling long distances without much food or liquids. This has stood them in good stead when they had later on to cycle for 500 kilometers in the Jordanian semi-desert without sustenance.

Having completed their tour of India the three men applied to New Delhi for permission to go abroad. This was granted after nearly six months of lengthy procedures as they had no money of their own to keep them going except a pooled fund of less than SR20 and exceptionally strong determination to embark on an exciting and risk venture which will eventually take five years to complete and cover 100,000 kilometers.

One of them, Purshotham, said they were assisted by well wishers to pay the cost of the sea passage to the Gulf with their cycles from one end to the other. They left Kuwait for Iraq where it was their misfortune to be caught in the Iranian-Iraqi war and be thrown into custody for three days until their papers were checked by the authorities. They went back to Kuwait where members of the Indian community took care of them and paid their

passage to Cyprus to begin their European leg of the tour.

They had covered most of Eastern Europe until they came to Bulgaria where their Indian-made bicycles were confiscated by wary border guards. They had to drive to Turkey where they advised their embassy about the loss of the bicycles requesting the ambassador to order fresh ones from India.

Prasad said they liked their own bicycles which gave them no trouble. Tires must be changed every 4,000 kilometers and a large tool kit keeps the three bicycles running smoothly. When the men do not find free accommodation, since they can hardly pay hotel bills every night, they pitch their tents by the way side and snuggle into their sleeping bags for the night.

"But so far," said Guruprasad, "we have been generously treated by the Indian embassies, communities and host countries." They have been put up in decent quarters and treated very kindly wherever they went.

They hope to leave Yemen's Red Sea coast port of Hodeidah by ship to Djibouti on the African side to start their African tour which is scheduled to take several months. After that they hope to complete Europe before crossing the Atlantic for a grand tour of the U.S. and South America. Asia will come later on as the final continent to be visited before heading for home.

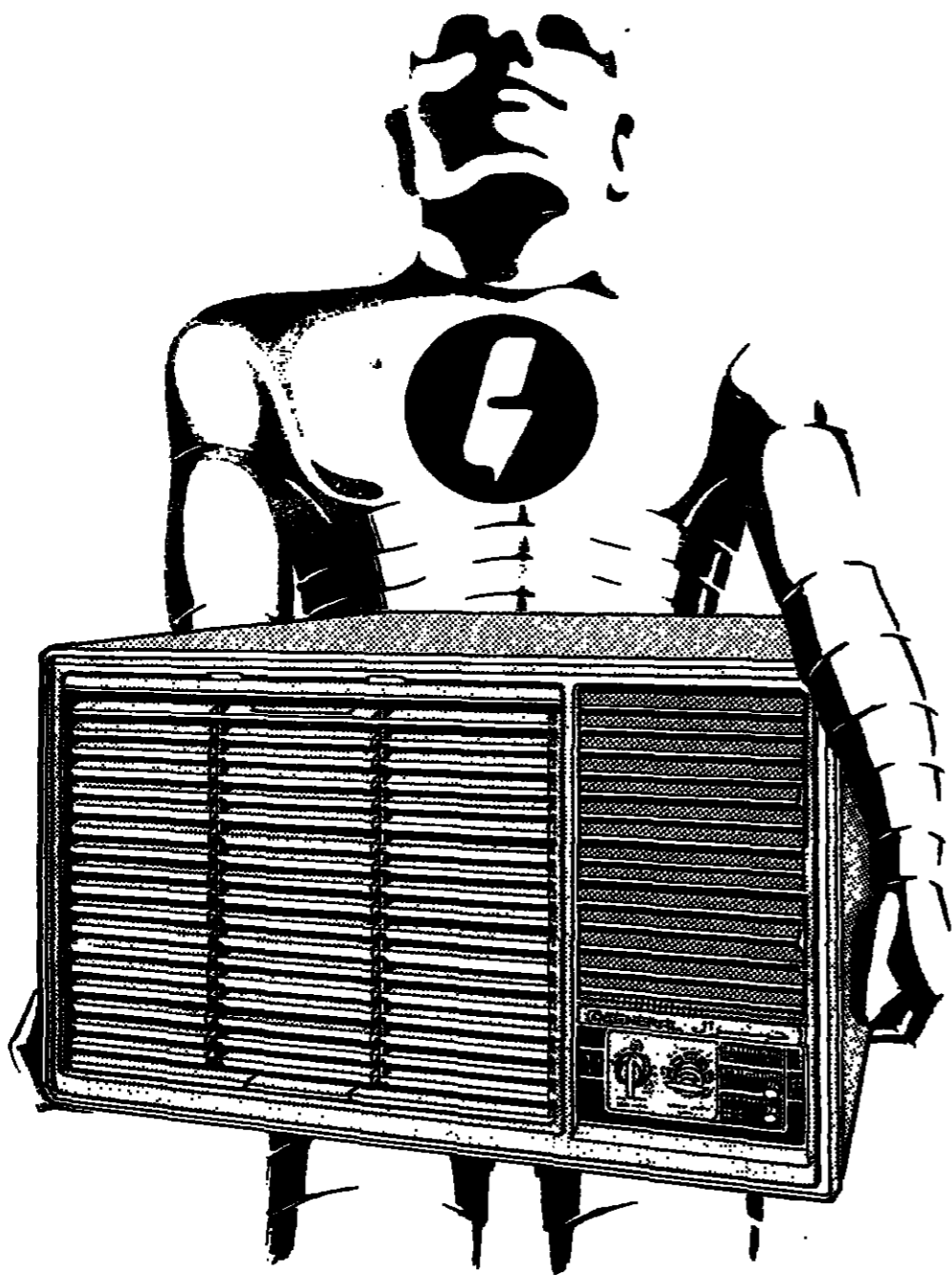
Their plans in Jeddah include meetings with the Presidency of Youth Welfare if they can get a quick appointment and talks with the cycling association and enthusiasts.

Prayer and Fasting Times

Saturday 17 Ramadan:

Maghreb (Sunset)	Isha (Night Prayer)	Sahoor	Fajr (Dawn)	Ishraq (Sunrise)	Dhuhr (Noon)	Assr (Afternoon)
7.06	9.06	2.03	4.23	5.48	12.27	3.42

* The above times are applicable only to the residents of Makkah region, and it is essential for people residing outside this region to observe the timing difference.



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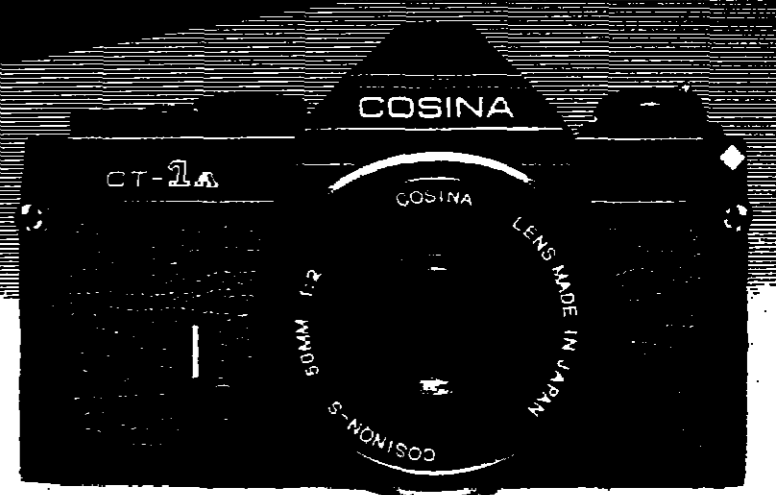
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On nuclear cooperation

Iraqi minister to hold discussions in Paris

Baghdad, July 17 (Agencies) — Premier Tareq Aziz is planning to visit Paris soon for talks on Franco-Iraqi cooperation, particularly in the nuclear field, with France's new socialist government, informed sources here have said.

Aziz revealed his intentions to Western reports whom he met here this week, but there has been no official confirmation of the visit in the Iraqi capital.

Meanwhile, in Paris, the external relations ministry said it knew nothing of the visit. Sources added that Iraq has not approached France over the possible reconstruction of the nuclear research center at Tammuz which was destroyed by an Israeli bombing raid June 7.

Since the raid, the Iraqi authorities said several times that they intend to continue their nuclear program and Saudi Arabian Information Minister Muhammad Abdo Yamani said Wednesday that King Khalid had instructed his government to release credits to meet the cost of rebuilding the Tammuz nuclear research center.

France's External Relations Minister Claude Chuysson indicated recently that France was prepared to rebuild the research center but would require guarantees that the reactor would not be used for military purposes. He declared: "We shall double, triple and even quadruple the guarantees", he said.

It is not known whether, in the event of a formal request from Iraq, the French government would agree to deliver a new reactor operating on highly enriched uranium or if it would insist on a substitute fuel which cannot be used militarily. France proposed the use of such a fuel after the Tammuz contract was signed in 1975 and before the research center was built.

Aziz, who is the ruling Baathist Party's official responsible for relations between Iraq and France, has visited Paris four times since the outbreak of the war with Iran in September 1980, and on three occasions met former French President Valéry Giscard d'Estaing.

Meanwhile, Iraq's Vice President and Foreign Minister Saadoun Hammadi had a series of separate meetings in Baghdad Thursday with top level delegates from Britain, the German Democratic Republic, Holland and Yugoslavia, reported the official Iraqi News agency (INA).

The foreign delegations are in Baghdad for the celebration marking Iraq's national Day, INA said. Hammadi exchanged views with Britain's Deputy Foreign Minister Douglas Hurd "on international issues of mutual interest, the situation following the Zionist aggression against Iraq's nuclear research center, the Iraq-Iran war as well as Euro-

Arab relations."

In talks with Yugoslavia's Deputy Premier Zvonko Dragan, Hammadi also covered the June 7 Israeli attack as well as bilateral relations, and issues connected with the nonaligned movement.

Iraq's Deputy Premier Yassin Ramadan, who also conferred with Dragan, expressed his appreciation that Yugoslavia "is implementing projects agreed upon between the two countries." Some foreign states carrying out various development projects in Iraq have suspended or curtailed operations in the wake of the Iraq-Iran war.

Iraqi Vice President Taha Mubildeen received Polish Vice President Tadeusz Mlynczak, who expressed his happiness over the close relations between the two countries, INA added.

Meanwhile, an international conference meeting in Beirut endorsed Thursday Iraq's plans to rebuild its nuclear research center destroyed by Israel, "in a manner that would meet the growing requirements of the Iraqi people and the world nations."

The four-day conference which ended Wednesday night was attended by 149 representatives and delegations from Arab, Asian, African, European and Latin American countries.

Addressing a popular rally in Baghdad Friday held in commemoration of the July "revolution," Iraqi President Saddam Hussein told his cheering audience that super-power rivalries in the Gulf region has "reached a point of extreme danger."

He said the "Zionist aggression" against Iraq, Lebanon and the Palestinians was escalating. "The Israeli aggression on our nuclear research center, (on June 7) will not impede scientific and technological advancement in Iraq," on the contrary, the aggression will give us impetus to develop this advancement and mobilize broader potentials for its acceleration and more effective protection for its safety."

"The struggle between the Arabs and the Zionists will inevitably end in victory for the Arabs, because we have rights," said Hussein.

In Lisbon, it was announced Portugal will sell Iraq 130 tonnes of unenriched uranium this year. Secretary of State for Energy Joao Carvalho Carreira made the announcement Thursday.

Iraq is Portugal's biggest oil supplier. Portugal exported 120 tonnes of uranium to Iraq in 1980 but has said repeatedly that uranium sales are not linked to oil supply guarantees.

Carvalho Carreira told Reuters the 130 tonnes would be Portugal's only uranium export this year.



BOMB VICTIM: The body of a young woman killed during an Israeli air raid on Palestinian positions in Nameh and Damour in Lebanon. The woman was killed by a bomb fragment while fleeing from her house carrying her television set—her expensive possession.

Six bridges destroyed

Israeli bombing isolates S. Lebanon villages

BEIRUT, July 17 (AFP) — The Israeli destruction of six bridges across the Zaharani River has left a 60-kms wide strip of Lebanese territory along the Israeli border cut off from the rest of the country.

The bombing destroyed bridges from a point on the river some 50 kms northeast of the capital to the coast, making it virtually impossible to transport agricultural produce from the coastal regions of southern Lebanon to the cities in the north. The bridges were at Zaharani and Qasmieh in the coastal region, Habush-Arab Salim and Jebaa in the central region of the Israeli-Lebanese demarcation line and two at Dalafaiaco Burghuz.

Local inhabitants have been struggling to reach isolated villages since Thursday evening, using mules and donkeys but traveling mainly on foot. The loss of the Zaharani bridge will also mean fuel difficulties in the north as the trans Arabian pipeline ferrying crude from Saudi Arabia is south of the bridge.

The Israeli air force raided the region again at 0730 GMT Friday and correspondents reported major fires in the vicinity of oil storage tanks at the end of the pipeline.

The 40-odd villages hit by Israeli bombs and artillery Thursday have neither electricity nor water and sanitary conditions were approaching emergency levels Friday. Most people who had fled the last round of Israeli attacks early this summer had returned home during a lull over the past few weeks. The destruction of the bridges has made it less easy this time to evacuate victims.

In any case, the entire region stretching from Damur, only 20 kms south of Beirut, to the Israeli line of demarcation, is unsafe, with Israeli raids hitting Palestinian positions and civilian targets indiscriminately. The Beirut press carried pictures of gravely wounded children, a woman mowed down in a field, a worker killed as he loaded a van and private cars buried with their passengers in the rubble of Zaharani bridge.

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Reshuffle makes Benjedid stronger

LONDON, July 17 (ONS) — Changes in the ruling caucus of Algeria's National Liberation Front mean that President Chadli Benjedid now has his own men in all the key posts of government and party.

It has taken two-and-a-half years of power to make him strong enough to remove from office the two men who in January 1979 disputed his claim to succeed Houari Boumediene. One was the former Foreign Affairs Minister Abdulaziz Bouteflika, the other Salah Yahiaoui, formerly chief of the party.

At the same time, two members of the Supreme Revolutionary Council and two senior civil servants have been suspended from membership of the party's central committee. These moves are expected to mark the end of the 'cleanup' campaign which over the past year or so has led to

police raids in Algeria as well as the arrest of bureaucrats suspected of corruption.

On one point, though, agreement has not been reached. A contentious document, elaborated after many hours of wrangling and designed to resolve the thorny question of the status of Berber culture within revolutionary Algeria, has not been published. Berber protests led by students and civil servants led to riots in several towns last year.

Economically, the president is now to move away from the politics of austerity that characterized his predecessor's reign. The headlong rush to economic self-sufficiency by the end of the century has been foiled by Algeria's failure to get the world to agree to pay as much for gas as it does for oil.

As a result, the latest five-year plan puts the emphasis on the development of light industry.

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Sudanese president to visit Egypt

CAIRO, July 17 (AP) — The Sudanese President Jaffer Numeiri is expected to visit Egypt shortly, *Al-Ahram* reported Friday.

The paper said Numeiri will have "important discussions" with President Anwar Sadat in the Mediterranean city of Alexandria, where the Egyptian leader has been staying for the past few weeks.


BRIEFS

LONDON, (AFP) — Egyptian President Anwar Sadat has accepted an invitation to lunch with Queen Elizabeth August 4, Buckingham Palace announced Thursday. Sadat is to begin a visit to Britain August 3 at the invitation of Prime Minister Margaret Thatcher.

AMMAN, (R) — Twenty-two new cholera cases were reported in Jordan during the past 24 hours bringing the total since the outbreak of the disease early this month to more than 575, a health ministry spokesman said Friday.

ROSEAU, (AP) — Israel would like to renew diplomatic relations with Guyana because "they are less fanatic than the Cubans," says an Israeli government official.

AMMAN, (AP) — A senior Soviet official is expected to visit Jordan July 24 for talks with Jordanian government officials on international issues, newspapers here reported Thursday. The Soviet envoy was not identified.



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THIS WEEK'S COVER STORY
Riyadh is expanding at a fast rate, setting a record in construction activities. *Javid Hassan* takes a look on page 20 at the development of capital, talking to officials on details of their projects. Related story on background of Riyadh, Page 23.

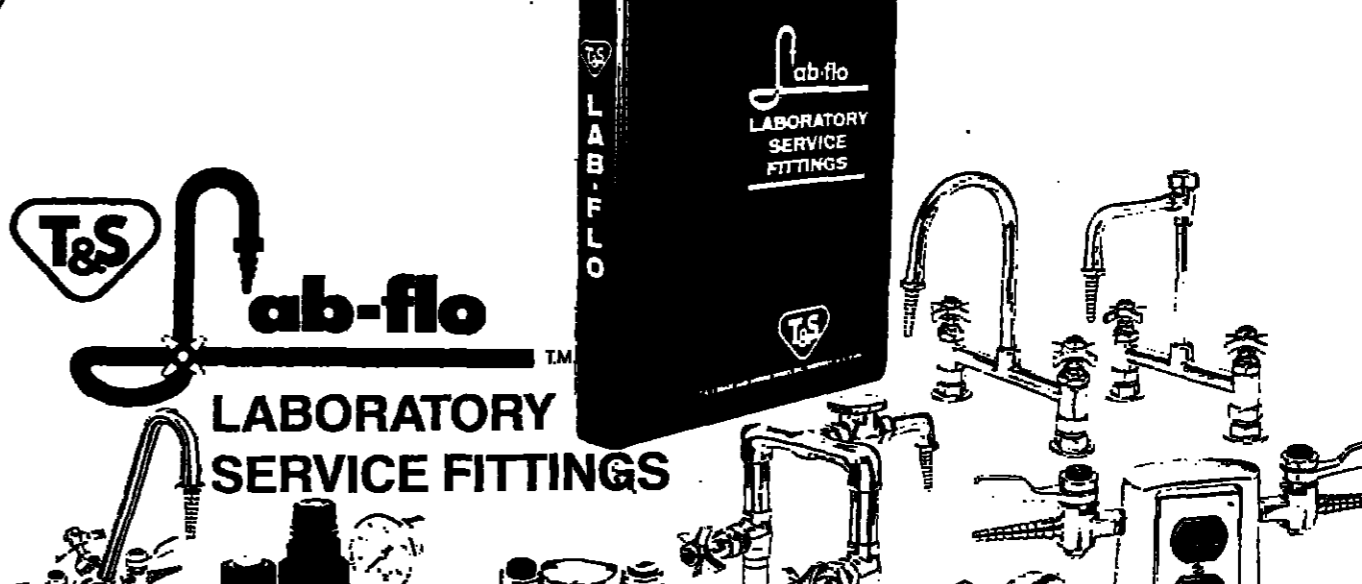


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جوليه 1981

Soviet tank blown up

Afghans kill 24 Karmal aides

NEW DELHI, July 17 (Agencies) — More than 24 senior members of the National Front led by Afghan President Babrak Karmal have been assassinated by anti-government rebels since its organization a month ago, according to a report from Kabul reaching here Thursday.

The death earlier this week of retired Afghan Lt. Gen. Fateh Muhammad, announced by Radio Afghanistan, raised the toll of slain NFF leaders to 27, said the report from a source who has been accurate in the past. Western diplomatic sources here have said that at least three persons, including Muhammad, were killed recently in attempts by the anti-Marxist fighters to disrupt the fledgling political organization. The report of 27 NFF leaders slain could not be independently confirmed.

The front, announced by Karmal several months ago, finally got off to a delayed start with an organizational congress June 15. It is composed of representatives from the various tribes and provinces, and functions as a sort of a national council. The intent is to legitimize and broaden the support of Karmal's pro-Moscow government, which stays in power only with the backing of about 90,000 Soviet troops stationed in Afghanistan. Radio Afghanistan did not report how many persons attended the opening session, but announced that 28 persons had been elected to its executive board.

Even during the first meeting, at which Muhammad shared the podium with Karmal, several rebel groups active in Kabul warned in clandestinely-issued leaflets called "Night Letters" that they would kill anyone from the provinces who participated in the NFF congress, the source said.

The prominent SAMA rebel group has claimed responsibility for Muhammad's death, the report said. He was shot to death Sunday outside his Kabul home.

Muhammad was described by one Western diplomatic source as an "opportunist" who served first under former King Zahir and then pledged allegiance to the successive regimes in Kabul after the monarch was ousted in a 1973 coup.

The Kabul source said that Karmal had on three occasions sent Muhammad to the central provinces where 3.5 million members of his Hazara tribes live. Muhammad failed in all three attempts to gain their support for the Karmal regime, and the last time was warned not to come back.

The NFF members reported by the diplomatic sources as having been slain were Malawi Amid, a religious leader from Ghazni killed June 24, and an unidentified man from Nangahar whose funeral was June 23.

The Iranian Pars news agency reported in

Libya hails end of French ban on arms sale

BEIRUT, July 17 (R) — Libya has welcomed a French decision to lift an embargo on arms ordered by Tripoli but said the presence of Libyan troops in Chad was none of France's business.

France announced Wednesday that it was lifting the embargo on arms previously ordered, but would sign no new weapons contracts until Libyan troops left Chad. According to the Libyan news agency Jana, a spokesman for the people's foreign liaison office said the French had taken positive steps on carrying out signed agreements. But Libyan-Chad relations were a matter that concern only the two countries, the spokesman said.

Pentagon says U.S. may cut Arabian Sea naval presence

WASHINGTON, July 17 (AP) — The U.S. Navy appears to be moving away from a virtually constant two-carrier vigil in the approaches to the Gulf.

Pentagon sources indicated Thursday the navy may reduce its presence in the Arabian Sea to a single carrier and supporting ships for longer periods in the future, while a second carrier battle group operates elsewhere in the vast Indian Ocean. These sources, who asked to remain anonymous, stressed there is no intention to remove American naval forces from the Arabian Sea, where they are stationed to protect vital oil tanker routes.

But the sources suggested there is value in showing the U.S. flag elsewhere in the Indian Ocean and in scheduling more frequent port calls for shore leave that would ease strains on U.S. Navy crewmen kept at sea for months. This has been the situation recently, with the carrier *Kitty Hawk* and seven other U.S. Navy ships detached from the Arabian Sea watch to maneuver with the Australian Navy off western Australia.

Meanwhile, the carrier *America* continues to stand guard in the Arabian Sea. In the event of a fresh crisis in the Gulf area, *The Kitty Hawk* and its escorts could be back in the Arabian Sea in about five or six days, officials

For Sahara poll

Polisario sets new conditions

ALGIERS, July 17 (R) — The Polisario Front has demanded the evacuation of Moroccan forces from Western Sahara and says they should be withdrawn 150 kms inside Morocco before any referendum is held in the former Spanish territory.

The Polisario, which has fought for six years for the independence of Western Sahara from Morocco, made its demand in a new series of conditions for holding a referendum on self-determination. The front also said that a United Nations force should seal off the Moroccan frontier.

A statement after a meeting of the front's command council said there should be a three-month period before a referendum to create the climate needed to diminish the

Ankara Thursday that Soviet helicopters bombed several houses and killed two children in the village of Ab-Soltan in Herat province of Afghanistan. Pars said the Soviet helicopter attack on the village was retaliatory after Afghan Islamic Mujahideen fighters thwarted a planned Soviet ambush on the village which is in extreme western Afghanistan.

In another fighting near the Iranian border, Pars said Islamic fighters blew up a Soviet tank and killed the soldiers inside.

But a British television crew recently in Afghanistan reported Thursday night that, in the area they visited, Afghan rebels "are giving no headaches to a confident Soviet-backed army."

In a half-hour film shown on a commercial television network in London, the crew said conditions were quiet in that area of northern Afghanistan, which Western reports described as a scene of recent fighting. "The West is in danger of believing what it wants to hear," journalist Peter Gill said.

Showing footage of a town in the north, he said: "In this area at least, the Western-backed rebels are giving no headaches to a confident Soviet-backed army." The British crew was flown to the north under the protection of the Afghan government. They were not allowed to leave the capital, Kabul, by road and were forbidden to film Soviet military activity, they said. When they did so secretly, a Soviet officer took their film, Gill reported.

The crew was allowed to film the political wing of Pul-e-Charke prison, near Kabul, where they said there were 600 political prisoners, mostly Muslim fighters but including a smaller number of supporters of pro-China groups. The prisoners had no complaints about conditions but some said they were being wrongly held. Afghan Prime Minister Sultan Ali Kishmand said on the program that Soviet troops would remain in his country "until that time that aggression from abroad stops." By aggression, he said he meant the training, arming and bribing of anti-government rebels by foreign countries.

In Moscow, Tass Thursday accused the United States of supplying the opponents of the Afghan regime with poison gas weapons which have been used against civilians.

"Having unleashed an undeclared war against the Afghan people, the Pentagon again resorted to the tried and tested means and supplies its charges, the Afghan bandit rabble, with chemical weapons," the official Soviet news agency said. Tass commentator Boris Shavayev denied as "absurd lies" charges that "Soviet troops use chemical weapons in Afghanistan," but said the United States used such weapons in the Vietnam war.

It said the Kabul regime found "grenades filled with nerve gas and carrying the brand name, made in the U.S., which were used by the mercenaries and terrorists infiltrated into the democratic republic of Afghanistan..." "When classes were in progress at the women's schools Suraya in Kabul," Tass said, "The smell of ripe apples all of a sudden filled the air." "A few moments later, students began dropping unconscious. Hundreds of girls poisoned by gas remained alive only thanks to urgent medical aid," it said.

"Later, fragments of grenades with the familiar brand, made in the U.S. were found at the walls of the school," Tass said.

Tass Friday predicted a "dismal end" to a European Economic Community initiative aimed at withdrawal of troops from Afghanistan.

The official Soviet news agency said the "scheme" reflected an "arrogant and discourteous attitude to the people of Afghanistan" because it failed to include the Kabul regime in initial stages of the initiative. The

said. In late 1979, the administration of President Jimmy Carter ordered a major concentration of U.S. naval power in the Arabian Sea-Indian Ocean as a result of the overthrow of the Shah of Iran, the seizure of American hostages by Iranian revolutionaries, and then the Soviet intervention in Afghanistan.

These events served to focus major U.S. concern on an area considered vital to Western interests. Shortly after taking office, Defense Secretary Caspar Weinberger was asked his intentions for the Indian Ocean, and he replied that "There will be two carrier task forces in and about that whole area."

His use of the phrase "in and about that whole area" left open the possibility for wider ship deployment patterns while retaining a U.S. naval presence. At last report, the U.S. navy had 30 ships in the Indian Ocean-Arabian Sea-Gulf area, seven of them supply vessels stationed at the mid-Indian Ocean island of Diego Garcia with enough military equipment and supplies aboard for a marine brigade of 12,000. Meanwhile, the Russian navy is reported to have 23 ships in the area, mostly concentrated in the Arabian Sea-Gulf of Aden area.

effects of the "practices of extermination, persecution and terror caused by the war." The conditions are in addition to those put forward by the Polisario after Moroccan agreement to a referendum at the Organization of African Unity summit in Nairobi last month.

Standing Polisario conditions are: Direct negotiations between Morocco and the Polisario for a ceasefire, withdrawal of the Moroccan army and administration, the return of all Saharans to the territory, and the installation of a provisional international administration.

King Hassan of Morocco has said he will not withdraw his army.

Greek ship in flames;

crew rescued

ISLAMABAD, July 17 (R) — A U.S. Navy ship rescued all 39 crewmembers of a blazing Greek ship in the Arabian Sea Thursday, informed sources reported. The sources said the American helicopter cruiser *U.S.S. California* picked up the crewmen about 130 miles south-west of Karachi. The stricken ship was the 25,923-ton oil tanker *Irenes Sincerity*, which was bound for Bahrain in ballast. There were no details of how the Greek ship caught fire or what the U.S. Navy ship was doing in the area, which is near the Gulf of Oman.

The sources said the *Irenes Sincerity* sent out distress messages and a Pakistani Air Force plane was sent to investigate. The plane directed *The California* to the Greek ship. The U.S. Navy ship then headed for Karachi with the survivors, the sources said.

The sources said there were unconfirmed reports that about 10 crewmen were injured.

The California was on a routine patrol at the time of the rescue. Private shipping sources in Karachi said that 39 crew members from the 25,000-ton ship had been picked up by *The California*.

Tass criticism came four days after EEC foreign ministers vowed to pursue the plan, which was conveyed to Soviet leaders this month by British Foreign Secretary Lord Carrington.

The proposal, aimed at withdrawal of an estimated 85,000 Soviet troops from Afghanistan and formation of a neutral government there, envisions a two-stage conference involving the permanent members of the U.N. Security Council and Afghanistan's neighbors. It calls for second-stage representation by representatives of the Afghan people. Tass singled out Carrington for particularly sharp criticism, saying: "Lord Carrington... is a vigorous proponent of this idea. Acting in the spirit of his country's colonial traditions, he continues looking at Afghanistan through the eyes of his predecessors such as Lord Curzon the one-time foreign secretary of the British empire."

"In 1923 that Lord (Curzon) even issued an ultimatum to Soviet Russia demanding that Soviet diplomat be immediately recalled from Afghanistan because of supposedly wrongful actions. Curzon's provocation ended in dismal failure. Carrington's scheme, notwithstanding the status of an EEC proposal, will undoubtedly meet a similar end."

Final Sinai pact signing after O.K. by assemblies

LONDON, July 17 (AFP) — An agreement on the setting up of a multinational peace force in the Sinai after the withdrawal of the Israelis from the area in April next year was due to be initiated here Friday by the leaders of the Egyptian, Israeli and United States delegations which took part in the discussions.

Delegation chiefs Taher Shash (Egypt), David Kimchi (Israel) and Michael Steiner (U.S.) will put their initials on the accord at the American Embassy in London, an authoritative U.S. source said Thursday.

The ceremony will be private, with no journalists present. There will be no speeches or officials statements, the source said, official and definitive signing of the document will take place only after the agreement has been ratified by the Parliaments of the three countries.

The multinational force, to be set up one month after the total withdrawal of Israeli forces April 25 next year, will consist of between 2,000 and 3,000 men. In principle, it will be composed of three battalions, one from the United States made up of some 800 soldiers and the two others coming from the

Pacific region, Latin America or Asia.

Up to now, only the United States has officially announced that it will take part in the multinational force, but it is believed here that Australia and New Zealand have also agreed to supply troops. The setting up of such a force was decided upon after the Soviet Union made known in the Security Council its opposition to sending United Nations "blue helmets" troops to be deployed between Egypt and Israel following the peace agreement signed by those two countries.

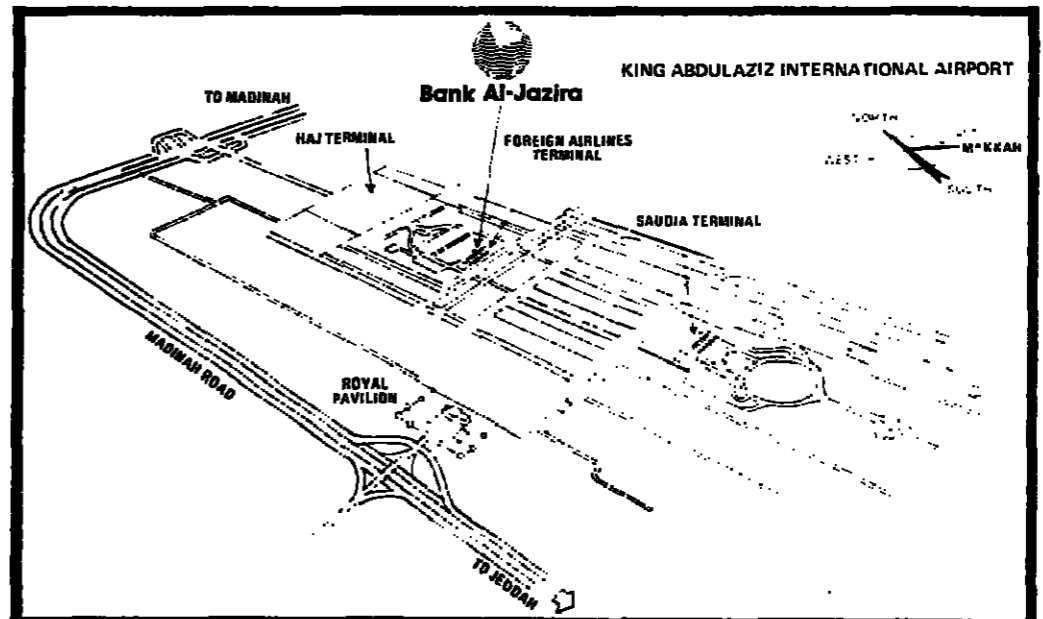
Britain was also contacted with a view to having U.K. troops participate in the force, but declined and the choice of London as the place where the agreement would be initiated had no particular significance, according to an authoritative British source.

Egypt, Israel and the United States will share the cost of the operation which will come to around \$ 25 million annually. The final agreement between the three countries was made public last Friday. The United Nations will have no responsibility for applying it.



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Soviet Jewish emigration drops by 50%

By Arthur Speigelman

NEW YORK — Soviet Jewish emigration for the first six months of 1981 has fallen by more than 50 percent below the same period last year and Jewish groups here are split on the reasons. Some see the decline as an active battle by the Soviet bureaucracy to cut back severely on the number of Jews leaving, while others tie the issue solely to vicissitudes in U.S.-Soviet relations.

Whatever the reason, Jewish groups here fear the number of Jews allowed to leave the Soviet Union this year will be the smallest in a decade. They also think future emigration will become a trickle in the years ahead. According to figures compiled by the National Conference on Soviet Jewry, only 6,668 Jews left the Soviet Union from January to June 1981 — a decrease of 55 percent for the same months in 1980 and 73 percent for the same period in 1979.

Among those concerned about the problem is President Ronald Reagan. According to Theodore Mann, head of the National Conference, the president has sent Soviet President Leonid Brezhnev a hand-written letter on the issue.

Mann said the president told him of his letter in a phone call last month, but added: "He did not give me any details and I did not ask for any." However, in a general conversation, Mann said Reagan wanted to include the issue of Jewish and other emigrants in talks with the Soviet Union on such topics as trade, but not in talks involving arms limitation. "Arms limitation stands on its own two free feet," Mann said.

Various estimates place the number of Jews in the Soviet Union at between two and three million. Jewish emigration reached a 10-year high in 1979 when 51,320 people left. But numbers declined significantly the next year, when 21,471 Jews were allowed to leave. Mann said the reason for the cut-back was the sudden chill in U.S.-Soviet relations caused by Soviet intervention in Afghanistan in December 1979.

"Make no mistake about it, emigration is traceable to U.S.-Soviet relations all the way down the line," Mann said. But some people who work in the Soviet Jewish emigration movement think more than U.S.-USSR politics is involved in the decline, although they concede that is a major factor.

They said that in 1979, Soviet officials became alarmed at the high rate of emigration because it was encouraging thousands of others to apply to leave and instituted stiff, new bureaucratic measures to deal with it. Among these measures, according to Zeessy Schurr, the executive director of the greater New York Conference on Soviet Jewry, was an "unwritten" law requiring that those emigrating produce an invitation from a "first degree relative" — a brother, sister, father, mother or other close kin who already lives in Israel.

"As a result of these 'first relation' laws, less and less people have been applying because they cannot qualify," Mrs. Schurr said. "Soviet officials claim they are only following the Helsinki accords on reunifying families, but these accords are vague on qualifications for bringing families together."

Mann feels that the "first relations" rules are only a bureaucratic ploy — a way of implementing policy from on high. "The Soviet Union is a totalitarian government that decides how many people are going to leave each year. There are many cases in which potential emigrants have the necessary first relations and still cannot leave."

Both he and Mrs. Schurr cite recent trials of Jews for anti-social or anti-Soviet activities after they have applied to leave as another blow for potential emigrants to stay out. Jews are also being discouraged from leaving by the simple expedient of an official refusing to accept their applications, Mann said.

"The biggest thing is that word gets out that they are cutting back. As a result, a person is less likely to screw up the courage to ask to leave when the chances are low. You wait for the right time. One is more likely to apply to leave when 50,000 people a year are being let out than when only 10,000 a year are being let out," Mann said. He now foresees a period in which only 10,000 Jews a year will be allowed to leave. (R)

IMF watches austerity plan in Zaire

By Randall Smith

BUKAVU, Zaire — A resident of Zaire's rich Kivu province burst out laughing when he was told that the country was to get \$1.1 billion in credits from the International Monetary Fund. "More money to line the pockets of the wealthy," he said. The cynicism is understandable. Even among Third World countries, where bribes and skim-offs often creep into fledgling bureaucracies, Zaire is notorious for corruption.

Irregular dealings in the nation's currency are so commonplace and therefore so necessary that even missionaries exchange their foreign money on the black market.

Evidence of the diversion of the state's cash and goods into private pockets can be seen everywhere. In the schools, teacher absenteeism is endemic because they often fail to receive their salaries.

By mid-June the guards in one of Zaire's national parks had not been paid since February. Roads are cratered nightmares that slow the movement of badly needed goods to a crawl. It is said that heavy road maintenance equipment sent from Kinshasa is sometimes sold to the Sudan before it reaches Zaire's provinces.

International lending organizations are expected to keep a close watch on Zaire's attempts to implement a new austerity program, presumably a recondition for granting the loan, which is unprecedented in size for an African nation.

The IMF said that about \$336 million would come from the institution's ordinary resources and the rest would be drawn from new loans made available to the IMF by Saudi Arabia.

The man originally in charge of implementing Zaire's fiscal reforms is now a vocal and international critic of the government of Mobutu Sese Seko. Speaking out in Brussels for the first time since his resignation as prime minister in April, Nguzi Karl-I-Bond criticized the West for backing Mobutu by shoring up Zaire's economy. He warned that "a bloody, violent upheaval" by the people against Mobutu's rule could compromise the West's interests in this resource-rich country. Apparently to press his arguments in Washington, Nguzi then left Brussels for the United States. (ONS)



Stalin blamed for chronic grain shortage

By Kevin Klose

MOSCOW — It is an irony of history that the Soviet invasion of Afghanistan, which triggered former President Jimmy Carter's grain embargo against Moscow, began 50 years to the day — Dec. 27, 1979 — after Josef Stalin announced his "policy of liquidating the Kulaks" or private farmers and soon launched the systematic destruction of Soviet agriculture.

The decree that followed the dictator's decision in 1929 brought a four-year reign of terror to the Soviet countryside, transforming what had been the grain-exporting "breadbasket of Europe" into a land of chronic shortage. Today, despite a massive nuclear arsenal, impressive space program and vast industrial strength, Stalin's legacy has left the Soviet Union uniquely vulnerable to the vagaries of sun, seed and sweat labor.

With the Carter reprisal now history after 18 months, debate in the United States over using what Agriculture Secretary John Block calls "the food weapon" to pursue national strategic goals seems likely to subside into a welter of confusion and disagreements. Basic to the debate is the question of whether any Soviet leadership could have the will and political self-confidence to replace Stalin's rigid centralization of the agrarian sector from which the Communist Party — as in the Soviet industrial sector — derives much of its power, or whether collectivized agriculture by its very nature is a terrible idea whose time should never have come.

If money can buy a solution, then Soviet President Leonid Brezhnev should be approaching that goal. More than any other Soviet leader, he has sought to cure the problem by throwing money at it. At the 1976 Party Congress, he proudly announced that two out of every three rubles invested in agriculture "in all the years of Soviet power" had come during his tenure, a total of 213 billion rubles from 1966 to 1975. (One ruble is worth about \$1.60 today so his investment would equal \$33.6 billion at that conversion rate). In 1976-80, the party set aside 172 billion rubles (about \$27 billion) more, and has earmarked 190 billion (\$304 billion) in the current five-year plan. In all, more than 20 percent of publicly acknowledged Soviet spending on capital investments has been devoted to agriculture.

Combined with endless tinkering by planners and organizers in Moscow to grant some local autonomy, raise woefully low mechanization levels, establish integrated agro-industries along the lines of American ones and encourage private farming in ways that Stalin and Nikita Khrushchev would have vetoed, the torrent of money has brought major gains in production.

Between 1966 and 1976, Brezhnev has boasted, grain harvests rose 40 percent, labor productivity 58 percent, and agricultural products per capita by 25 percent despite a population growth of 23 million. Since 1966, 50 million newly irrigated or drained acres have reportedly been put into cultivation and thousands of miles of roads built in the remote countryside; the infrastructure of processing plants, storage and handling facilities has expanded enormously from October 1964, when Brezhnev came to power.

With the use of expensive imported grains, farm chemicals, feed additives and other measures, per capita meat production rose, and some Western analysts believe the goal of lifting meat production 2 million tons to 18 million in 1985 can be achieved

with luck and application. But the trend now is the other way, with annual increases of about 4 percent in each of the years from 1950 to 1971 by the approximately 20,000 state farms (Sovkhozoes) and 27,000 collective farms (Kolkhozoes) slumping toward 1 percent in the period from 1971 to 1980.

With 50 percent more land in cultivation than the United States and 20 percent of its work force in farming, as opposed to 4 percent in the United States, Soviet net production still lagged about 20 percent behind the United States in the mid-1970s.

These are not grave problems; the Soviet Union has advanced far from the famines brought on by collectivization and World War II. But they pose enormous problems for a one-party state that aspires to world leadership and are an incessant worry because they reduce party effectiveness while forcing the state to spend hard currency for the foodstuffs it cannot raise itself.

Almost anywhere within the collectivized farm system, loss and waste are phenomenal. Beginning with the earth itself, state experts say more than a billion tons of fertile topsoil are lost annually from bad plowing methods. The party newspaper *Pravda* has described how mineral fertilizer, needed to improve the thin soils, often is shipped in open or leaky freight cars.

"By the time it reaches the client, it (is) a solid lump," the article said. "Crowbars, sledgehammers, sometimes even a caterpillar tractor is used to break it up." One researcher said that losses "run more than 200 million rubles (\$320 million) a year."

F. Vavilov, president of the Lenin All-Union Academy of Agricultural Sciences, told *Pravda* last summer that "less than 100 million tons of straw are used for livestock feed annually. The rest, more than half the total, disappears or is burned." Bad combines contaminate the straw with dirt, or miss the best stands. At a time when Soviet livestock need high-protein legume feeds to fatten on, Vavilov said, legume acreage dropped from 7 percent to 4 percent of arable plowland.

Featherbedding, administrative bungling and chicanery foul the complex bureaucratic maze, blunting directives and thwarting goals. While premier Nikolai Tikhonov told the party congress in February that "farms are to be much better equipped with powerful tractors" and the power-to-worker ratio would increase 50 percent by 1985, a report from 1979 in the government paper *Izvestia* showed how plans and promises from on high are diluted by the very different reality in the countryside.

N. Matukovsky of *Izvestia* reported that one recent year, Byelorussia's Mogilev province farms received 2,500 new tractors — and promptly scrapped 1,821.

A prize-winning tractor economist, I. Trepenev, told *Pravda* how, when 380 powerful new tractors were to be sent to 24 farms in Krasnodar territory for concentrated work and ease of repair and service, they were scattered instead among 164 farms, hopelessly snarling support plans.

University of Chicago agro-economist D. Gale Johnson recently reported that daily work production per Soviet tractor actually declined slightly in the period from 1970 to 1976, while "the percentage decline in the amount of grain per combine day was at least equal to the percentage increase in the number of combines 1970-76. Consequently, there

was no reduction in the amount of time required to complete harvesting" despite the fact that the Soviet Union produces many more tractors yearly than the United States.

Announcing a special food plan to increase meat and other items in cities, Brezhnev in February complained that fruit and vegetable consumption had been hurt by transport, storage and processing losses. But as V. Mityuskin, director of the Russian Republic's union of Consumers Cooperatives' Administration for the procurement, processing and marketing of potatoes, fruit, vegetables and melons, reported last July in *Ekonomicheskaya Gazeta*, "Often a farm will not grow vegetables the population needs, but types that are less labor-intensive and more profitable." From 1976 to 1979, he said, his cooperative was short a total of 4.4 million tons of potatoes, onions, tomatoes and cucumbers because of these practices.

"Many farms have stopped growing summer squash, eggplants, sweet peppers, horseradish and other vegetables," he said, adding that his group's produce houses a can handle 400,000 tons that way.

Most of the 3.5 million tons shipped in the Russian Republic last year went by rail, he added, but the railroads cannot be held responsible for safeguarding cargoes, keeping to timetables or providing enough cars despite commitments. "All this means losses and reduced equality," he said.

Compounding the decline of diversity in the fields is a similar narrowing of choice by canneries. Muscovites long have complained that even here, the nation's best-supplied city, variety on the shelves is lacking, a suspicion *Izvestia* looked into. The paper found that "in coordinating assortments, canneries often give preference to items easiest to produce, rather than those the market demands. Certain items in wide demand have disappeared entirely ... canned corn, kidney beans, olives, capers ..."

In an unusually bleak appraisal of deepening farm problems, senior economist I.N. Buzdalov declared in September 1979, "as things stand now, profitability, efficiency and quality play virtually no role in ... the work of collective and state farms." Writing in the monthly *Voprosy Ekonomiki* (economic questions), he charted production cost increases from 1970 to 1977 of about 45 percent for grain, 47 percent for beef, 60 percent for mutton, 70 percent for wool.

Soviet consumers are insulated from these price increases by the state, which maintains retail meat and milk prices at 1962 levels for political reasons. But subsidy program adds about \$48 billion a year to the cost of running, Stalin's invention, according to estimates in Johnson's survey.

Buzdalov said that despite higher state subsidies, the result is declining profitability because costs outstrip the subsidies "and the lack of any noticeable improvement in output quality. Between 1970 and 1977, profitability of collective farms fell by 50 percent," and for state farms the decline was even greater. Its closed economy insulates the Soviet Union from the full effects of such financial interventions, allowing it to quietly write off what it wants without fear of monetary consequences that would rock a hard currency.

But in the world of ideology, a lack of results carries its own costs, eroding party credibility when it claims to run the country effectively and so improve the lives of the Soviet masses. (WZ)

S. LEBANON ESCALATION

How many times have the Israelis raided southern Lebanon, both from the air and on the ground? It is certain that no one now knows, so numerous have the raids been. Indeed and as far as the international media are concerned, the raids are no longer news — they are so much part of the daily life of South Lebanon.

But now that the raids have reached a new level of ferocity, the world is beginning to realize that a new stage in the struggle in South Lebanon is being reached. The Israeli attack on the six bridges in the area has a definite military significance: It is no longer a question of "punitive" attack. Something might well be in the offing.

Western observers think that the Palestinians and the Israelis are on the verge of an all-out confrontation, one which will have, very deep implications for the area as a whole. The Israelis realize that the more Palestinian equipment they destroy, the more these latter will bring to bear on the battle. They will therefore seek to realize their dream of eliminating the Palestinians once and for all from South Lebanon.

While the situation is developing in this way, many in the Arab world are gratified that the Palestinians have taken to the offensive — or at least are starting to do so. Many have watched and wondered as the Palestinian resistance seems to be content with a diplomatic war rather than resorting to the gun, against an enemy who has given no hint of readiness to accept their human and political rights.

Saudi Arabian press review

Friday's two newspapers *Al-Jazirah* and *Okaz* commented on the Kingdom's decision to finance the reconstruction of the Iraqi nuclear reactor which was destroyed by Israeli warplanes last month.

Al-Jazirah described the Kingdom's decision to finance rebuilding the reactor as a move asserting the Kingdom's Arab and international policy which is based on "shouldering its Arab responsibilities and its determination to confront any calamities that threaten the presence and the future of the Arab nation."

The paper noted that the Kingdom's historical and actual role calls on Saudi Arabia to set the example in confronting the enemies of the Arab nation and mobilizing all potentials and capabilities to defend the Arab common cause.

"The decision is a crystallization of the practical application of the principle of solidarity and cooperation and the Arab joint action to confront the challenges and dangers of a common enemy like Israel," the paper said.

Al-Jazirah cautioned against the treachery of the Israeli Satan in the wake of this decision "which means that the Zionist bombing of the Iraqi nuclear facility was but a failure since it has not achieved its designed results."

Reminding that Israel will try to carry out similar attempts to strike at the new Iraqi nuclear plant, the

paper urged the Arab nation to be on full alert and deny Israel any chance to achieve its vicious ambitions.

Dealing with the same subject *Okaz* said the Kingdom's decision to finance rebuilding the reactor comes while Iraq is celebrating its national day and as a sign of solidarity with Iraq is being held in Baghdad and also at the time when the Israeli enemy has resumed its aggression on Lebanon to foil the efforts of the Arab Follow-up Committee to bring national reconciliation to this Arab country.

The paper said the decision is a warning to Israel and those standing behind it. "The decision emphasizes that Arabs are adhering to their solidarity in prosperity and adversity and that any aggression on any inch of Arab territory is considered an attack on the whole Arab nation," it added.

"Israel undoubtedly, will realize that the Arabs are determined to go ahead with their scientific and technological progress through unifying their efforts and building up their deterrent strength to strike hard at any challenge and apply the policy of tit for tat," the paper said.

Okaz stated that the Kingdom's move to rebuild the Iraqi nuclear installations is not new since "Saudi Arabia always backs the policy of solidarity in practical terms."

Age of earth is a puzzle Scientists study rocks for clues

By George Alexander

PASADENA, Calif. (LAT) — Scientists have long been baffled by the discrepancy between the age of the earth — 4.5 billion years — and the age of the oldest rocks ever found anywhere on the planet, the 3.8 billion-year-old ironstones from the Isua formation in West Greenland. Search as they might, scientists have yet to turn over any rocks older than those West Greenland samples.

That 700-million-year gap is a geological void, a missing chapter 1 in the history of the earth that scientists would like to fill in to better understand the planet's formation and subsequent evolution.

Now, Prof. Don L. Anderson of Caltech has advanced a theory of the earth's earliest eons that would explain both the absence of those primordial rocks and a number of oddities in the earth's upper layers that exist today. Anderson, a geophysicist who is the director of Caltech's Seismological Laboratory, believes that an ocean of magma, or molten rock, covered the newborn Earth of 4.5 billion years ago to a depth of perhaps 300 miles.

That stupendous ocean of fiery, liquid rock was created by the frequent and powerful collisions that occurred between the big pieces of matter that condensed out of the solar nebula in the vicinity of the earth's orbit, and the seed that was the core of the embryonic earth.

The bombardment would have been like so many nuclear bombs exploding on an already hot and mushy surface: the energy that the

colliding chunks imparted to the outer layers of the building earth would have been more than sufficient, according to Anderson and others, to cause widespread melting.

"Melting was a very important process on the early earth," Anderson said. "Between accretion (the high-speed piling up of chunks) and the radioactive decay of a lot of elements that are now gone, the production of a heat would have been at least four times greater than it is today."

Deep down inside that primordial pool of molten matter, where pressures were quite high, Anderson believes that crystals of high-temperature garnet — a rock type that is a mix of aluminum, iron and titanium silicates — began to form.

These would have been the first terrestrial rocks, according to Anderson, but they were never destined to be a majestic mountain range. Formed at depth, these initial rocks were heavier than the surrounding melt in which they crystallized and so they sank deeper into the Earth's mantle and took with them a large fraction of their characteristic elements.

Anderson's calculations would put these ancient rock layers between 135 and 415 miles below the present surface of the Earth, where they remain today — hot, but crystalline and rigid. Parts of these rock layers do return to the surface as magma.

As the earth swept up all the final bits and pieces of matter in its orbit and the bombardment ceased around 4.1 billion or 4.2 billion years ago, that ocean of magma began to cool and a true surface crust began to form. Traces of that crust, which probably took

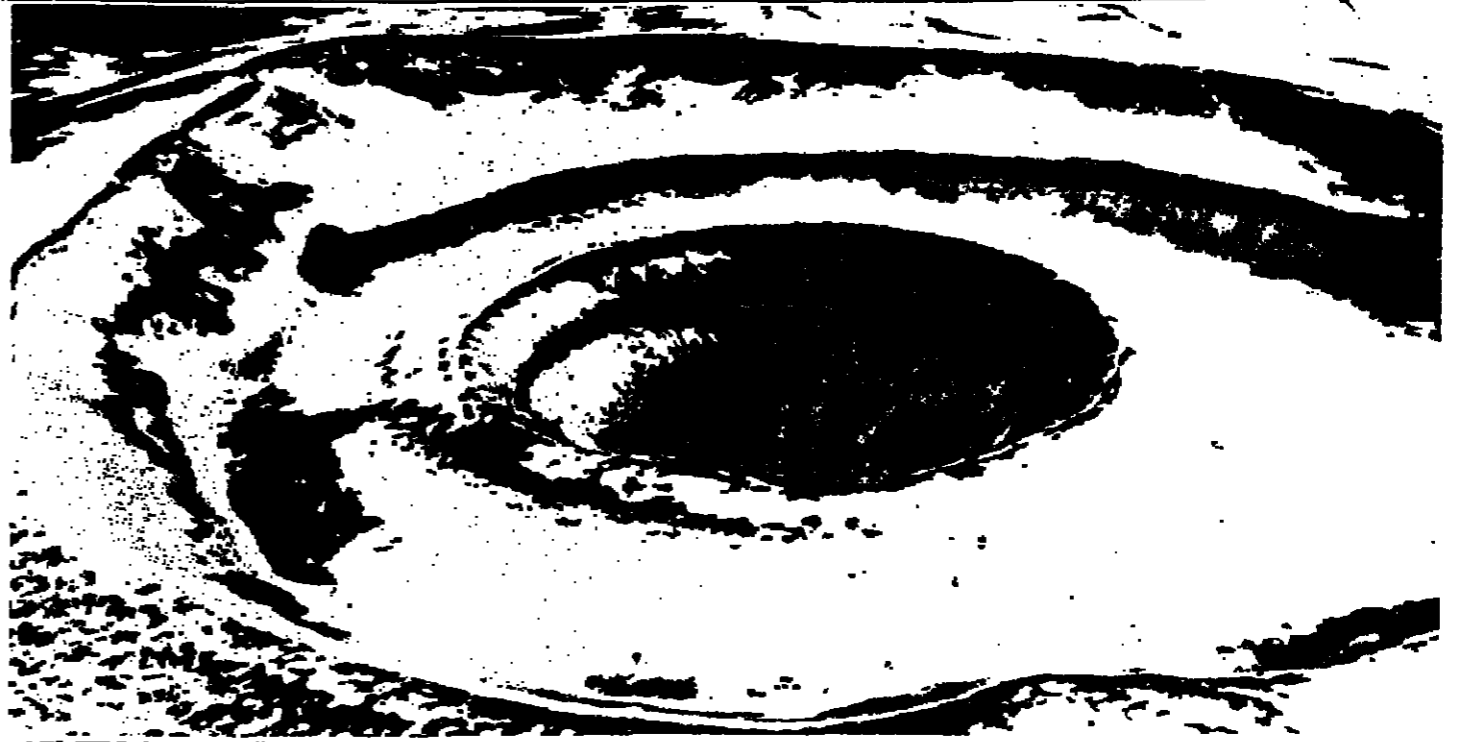
several hundred million years to solidify, are to be found today occasionally in places like West Greenland.

Most of the earth's ocean basins and continents are comparatively newer, having been formed anywhere from yesterday (at mid-ocean ridges) to a few billion years ago (at the interiors of some land masses).

This secondary crust, thin and brittle, is constantly being recycled by the movement of the earth's plates. Old sections are being forced down into the underlying mantle at trenches offshore from Central America, South America, Alaska and the Japanese and Aleutian Island chains. New crust is popping up as magma at the mid-ocean ridges in both the Pacific and Atlantic Oceans, at volcanic islands and at continental rift zones and "hot spots."

Indeed, it was the chemical differences between the molten matter coming up at the mid-ocean ridges and the matter coming up elsewhere that provided Anderson with one of the first pieces of evidence for his theory. Elements like potassium, uranium, thorium and rubidium are relatively abundant in the magma oozing up at the oceanic islands, rift zones and hot spots, but they are scarce in the magma emerging at mid-ocean ridges.

Conversely, elements that are plentiful in the mid-oceanic ridge magma are scarce in the magma emerging elsewhere. "They are complementary to each other," Anderson explained, "and when mixed together in proper proportions, their chemical makeup is pretty much like the average composition of the earth."



MT. KILIMANJARO: Looking into the dormant volcano. Today scientists are studying rock samples provided by these volcanoes which spew samples from deep within the earth.

West says Saudi-U.S. friendship based on strategy, common goals

By Tod Robberson

Washington Bureau
EDITOR'S NOTE: John C. West served as the United States ambassador to Saudi Arabia under the Carter administration. From 1976 until the transition to the Reagan administration was completed in April 1981, West was one of the United States' chief advisers on Middle Eastern affairs and the affairs of the Kingdom. West, 59, has retired from the foreign service and now runs his own law firm in South Carolina. He was former governor of South Carolina from 1971-75.

Q: If we were to disregard the Kingdom's oil, why would the United States want to maintain its relationship with Saudi Arabia as a friend and an ally?

A: Of course, that's a hypothetical question. But, historically, the Saudi Arabian people have been our allies and our friends. Look back to 1945 when King Abdul Aziz met with Franklin Roosevelt. They had a very good understanding and relationship, and at that time the oil from Saudi Arabia was not a big factor. At the time, there were limits on the amount of oil that could be imported into the United States, and yet the friendship went on.

So you can see our friendship has not been based solely on the need for oil; it goes further and deeper than that. Saudi Arabia is a very strategic country in terms of the world. It is a bulwark against communism. Then there's the fact of its economic wealth, it has 25 percent of the world's oil resources — it's something that we can't rule out of our assessment. But from one standpoint, the Saudi Arabians and the United States ought to remember that we were friends before the Saudis recognized their oil wealth.

Q: There's a prevailing opinion among many Saudi Arabians that the U.S.-Saudi relationship has become one of all giving on the part of the Kingdom with little or no reciprocity on the part of the United States. Is the United States taking for granted its friendship with the Kingdom?

A: I think that many Americans are unaware of the contribution the Kingdom makes, first of all to ease the energy problem of the world by keeping their oil production higher than their own self-interests would seem to dictate. And secondly, by their very conservative and very cooperative policies in investing their surpluses. I think that many Americans fail to appreciate the Saudi Arabian view, and the Saudis sense that and resent it — quite understandably.

On the other hand, in several years of law practice, I've seen an increasing understanding on the part of the U.S. government, an increasing recognition that the Saudi Arabians are playing a valuable part in keeping peace and trying to find a solution to the many, many problems in that area of the world.

Q: It has been your philosophy that good business makes good politics. Can you give some examples of how this philosophy applies in Saudi Arabia?

A: Go back to the early days of the Saudi-U.S. relationship. I've been told by knowledgeable people, including some of the sons of the late King Abdul Aziz, that one of the reasons the late king gave the concession to American oil companies was that the United States did not have a history of colonialism. Our constitution and our system appealed to the Saudis since it did not have the history of exploiting the colonial properties.

The fact is that the Aramco partners have been sort of partners in building the country. They haven't simply extracted the

wealth of the country for their own profit. They made a profit, but they also involved many Saudi Arabians in key positions in Aramco.

The other early companies, like Bechtel and Fluor and the others who have been there for 30 or 40 years, have built up very warm relationships with individual Saudi Arabians and with the Saudi government. So, as I've often said, it's the American business community, rather than the ambassadors, who have made the U.S.-Saudi friendship a reality.

Q: What about U.S. business lately? It seems to be on a pretty steep decline in the Kingdom.

A: Measured by some statistics, the percentage of contracts and all that, there has been a decline. Measured on overall volume, though, there hasn't been a decline. Unfortunately, in the United States we have what I call the disincentives, the problems of which many have been our own doing. One of the major ones, of course, has been our tax law, which I hope and trust congress this year will remedy. That is, the taxation of American citizens living abroad. We are the only country in the world that puts a tax on income earned by a citizen living abroad. Therefore, it costs twice as much to hire an American for a key professional-type position than it does a person from, say, Great Britain, Germany or Japan. Then you have competition of companies from Korea, for example, where the labor costs are substantially less than the United States.

Add to the tax situation the anti-boycott and anti-corruption laws. Certainly, I do not disagree with the general purpose of the anti-corruption law, but the implementation of it has so many hazy, gray areas that it creates a risk that many American companies will try to avoid by simply not getting involved as they normally would in a competitive situation. So when you have your anti-corruption, antitrust and anti-boycott laws, it creates some real hurdles for the American businessman to overcome before he even starts to figure on the bottom line to make it competitive.

Q: What diplomatic issue was the greatest challenge to you during your assignment in Saudi Arabia?

A: I guess there were several issues I had to deal with that posed challenges. First, of course, was the underlying problem of the Arab-Israeli relationship. We were constantly trying to improve these relations through various efforts. Next was the issue of energy and the pricing of oil exports from Saudi Arabia. Then there were other related issues involving the security of the Gulf. I was constantly faced with one challenge or another, because whenever one of these areas was quiet, another one acted up.

Q: Was there anything that could have been done, in your opinion, to improve the outcome of the Camp David accords?

A: Yes, Camp David is criticized and labeled as a failure. But if the Camp David accords had been followed through according to their original intent, I think it would have been a completely different story. The Camp David accords said that there would be an immediate solution to the question of Palestinian autonomy, and a written plan to establish Palestinian autonomy was to be implemented within a year.

The treaty was signed in May 1979. Well, for various reasons, which were commonly assigned to Mr. Begin's absolute intransigence, this agreement was never reached on Palestinian autonomy. I think, had there been a give-and-take, a fair solution to the

issue of Palestinian autonomy, in accordance with the original provisions of the Camp David accords, we would be far down the road to Middle East peace, and the Camp David accords would not be labeled as a failure.

Q: What were the initial reactions in Saudi Arabia to Camp David?

A: There were two reactions: the first was one of skepticism, and the other was one of hope. I've heard many, many Saudi officials in the highest levels say, "We hope and pray that Camp David will be successful and produce a Middle East peace. But we are very, very skeptical because Begin will never make the concessions necessary to solve the two key issues of autonomy and the (West Bank) settlements."

When we talk about Saudi support, that could have happened. But as I look back on it, there were several things that prevented public support by the Saudi Arabian government. Starting within days after the Camp David accords were signed, Begin said that the accords did not mean what President Carter said they did with respect to the settlements. He (Begin) in effect repudiated the understanding on the settlements that the United States had. And there was nothing that we could do about it. So it immediately caused the Saudi Arabians to be very skeptical of the other provisions, including the autonomy. Within a year, it turned out that their skepticism was well founded.

Q: After President Reagan took office, you became more outspoken about the need for greater U.S. flexibility regarding the Palestinian issue. Did you feel that the Carter administration lacked adequate flexibility on this issue?

A: We had problems that were, I guess, twofold. We had the commitment made by (former Secretary of State) Henry Kissinger that we would not negotiate with the Palestine Liberation Organization until they recognized the existence of Israel. That was an announced policy of the previous Nixon and Ford administrations, and President Carter reaffirmed that.

There was a question in that policy, and many of the people who were involved in the decision making were saying that it never meant that you could not even communicate with the PLO.

Now, the other side of the coin, of course, is the domestic political situation, which was that the friends of Israel and the Israeli lobby were very vehement and very outspoken at any suggestion that there be any contact with the PLO.

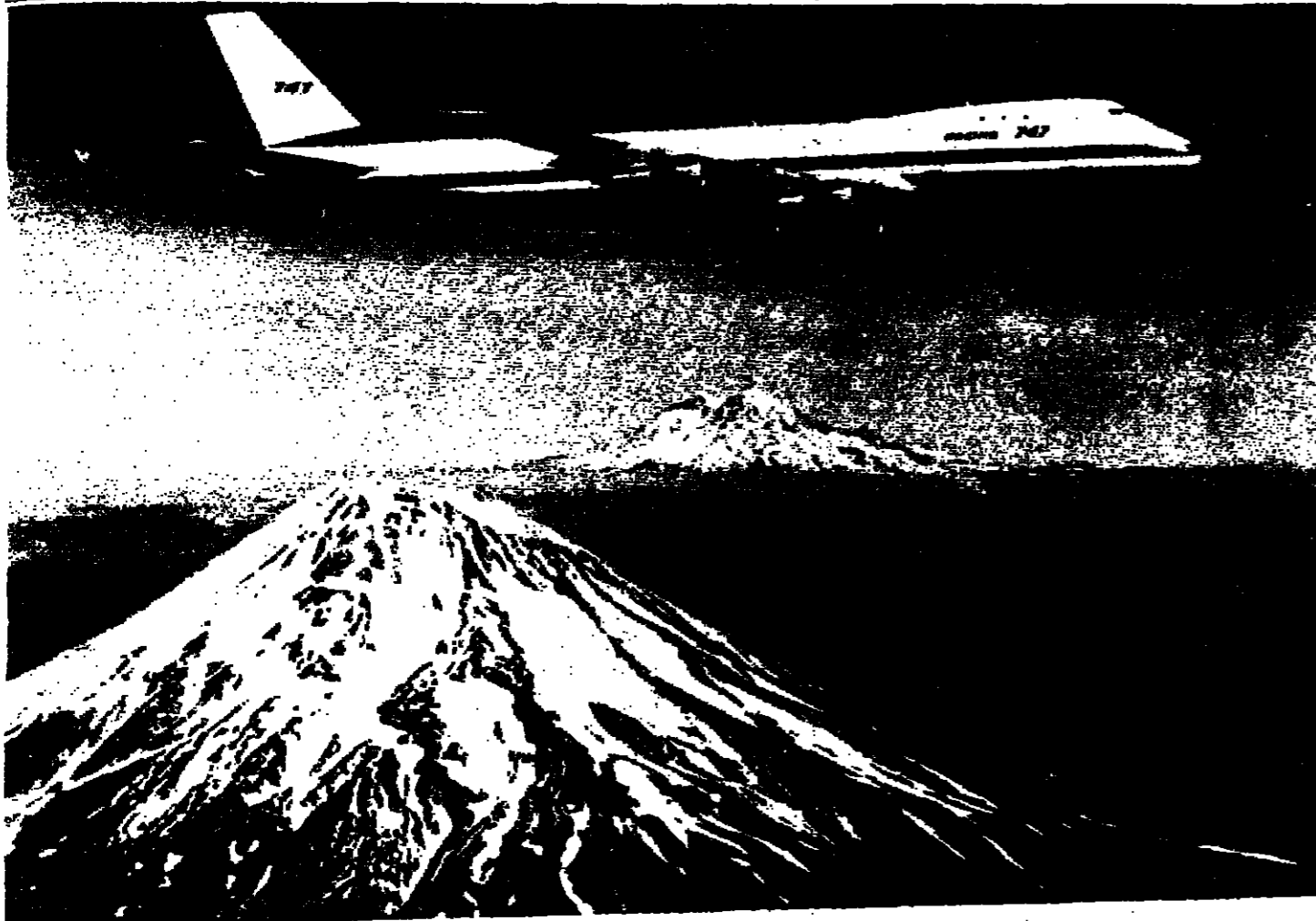
My position was — and is — that you can't settle a problem unless you talk to people. You have to communicate before you can have an understanding, and you have to have an understanding before you can have an agreement.

Q: Did you personally have any contacts with the PLO?

A: I'd have to say I did not, although I talked to Palestinians from time to time and to people who were very much in sympathy with the PLO. But I never met with any PLO officials.

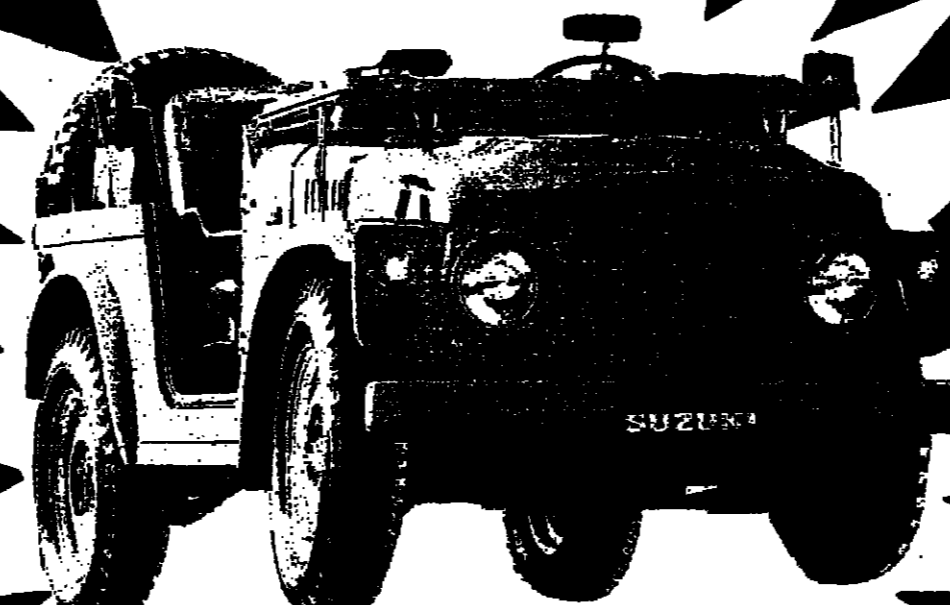
Q: Did you often advise President Carter from your discussions with Palestinians or with the Saudi Arabians? That is, did he consult you very much on the Palestinian issue?

A: Oh yes. We talked about it and I kept a constant barrage of communications to the State Department on how the Palestinian problem could best be solved. It has been the single most vital part of any peace settlement. Until we find that, we will never have a lasting peace.



MT. ST. HELENS: These revealing before-and-after photos show, above, the snow-covered slopes of what was a 9,677 foot peak. The lower photo shows the effects of the 1980 eruption in which the mountain lost 2,000 feet of its peak.

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Swoop on protesters

800 arrested in South Africa

CAPE TOWN, South Africa, July 17 (Agencies) — Police hurled tear gas canisters to disperse a crowd of more than 1,000 blacks who were protesting the arrest of 800 others on charges of violating pass laws, the South African Press Association (SAPA) reported Friday.

SAPA said the protesters, who had been demanding to be arrested along with the other blacks, ran from the tear gas, leaving their personal belongings scattered on the ground. Police had repeatedly asked the blacks to disperse from a commissioner's court where they had gathered Thursday. But the demonstrators refused.

Some of those fleeing the tear gas forced their way into the court building, but were ejected by police. At least five persons were overcome by the gas and collapsed, coughing

and wiping their eyes and noses, SAPA said. The people arrested had been picked up in a pre-dawn swoop on a squatters' camp near Nyanga township outside Cape Town.

A police spokesman said the 3 a.m. raid was action taken after the local administration board investigated the "circumstances surrounding a large number of people gathered" in a field near the local administration board offices.

Police said those arrested went along willingly, and most pleaded guilty to a lesser charge of failing to produce required documents on demand. Most of the accused said they had come to the area looking for work. Throughout the court proceedings, singing and chanting from a large crowd could be heard, SAPA said.

Meanwhile a firebomb explosion early

Thursday damaged offices of South Africa's white opposition party and a mainly black trade union federation in a Johannesburg suburb, spokesman for the organizations said.

A spokesman for the Progressive Federal Party said the explosion in the Johannesburg suburb of Benoni caused light damage to the party's office, which is in the same building with the office of the Federation of South African Trade Unions (FOSATU).

The party spokesman called the attack "political vandalism," but did not say from what quarter he believed it had come. A spokesman for the union organization said all its files, including its membership list, were burned.

The South African Prison Department said Thursday it will conduct an inquiry into the use of tear gas to subdue four non-white prisoners shortly before they were hanged for murder.

Editor's resignation

Manila denies press charge

MANILA, July 17 (AP) — The Philippines government has denied that officials were trying to "pressure or to intimidate" the press when they wrote letters which led to the resignation of a top magazine editor.

The Ministry of Public Information, in a press statement Thursday said the resignation of *Panorama* editor Letty J. Magsanoc was a matter between her and her publisher. The statement criticized the National Press Club for taking the government to task over the action — the first time the club has attacked the government in nine years.

Ms. Magsanoc had written an article critical of President Ferdinand E. Marcos, who was inaugurated June 30 to six more years in power after ruling the Philippines for 16 years, eight by martial law. In the article, she accused Marcos of using "verbose generalities" in his inaugural address and said if his government doesn't change, Filipinos will "tear at the republic."

Justice Minister Richardo Puno said in a letter to her publisher, former Marcos aide Hans Menzi, that the government would seek "vindication and redress" for the article if Menzi did not take steps to "rectify the wrong." Puno said the government was "not powerless to protect itself."

Election commissioner Vicente Santiago and Local Governments Minister Jose Rono also wrote letters attacking Ms. Magsanoc's prose. Both Puno and Santiago threatened life suits.

"The government will continue to seek a fair and objective appraisal of its undertakings in this country and elsewhere," the Ministry of Public Information statement said, adding, "and such legitimate efforts should be recognized for what they are, not misconstrued as attempts to pressure or to intimidate."

It said the National Press Club was "out of

bounds" in inferring that "anytime a member of the working press resigns or is fired, it is due to government pressure."

The Press Club, in its statement Wednesday, accused officials of overreacting to the *Panorama* article. "We reject attempts to dismiss the case as an internal matter between the *Panorama* publisher and his editor. We are convinced that Magsanoc resigned despite her love for journalism because of pressures brought to bear on the publication," the Press Club board said.

Manila's major newspapers, which have not reported the controversy, are published by elements friendly to Marcos and rarely criticize him, his politically powerful wife or his government.

Filipino couple wins 'bridal package' suit

MANILA, July 17 (AP) — The luxurious Manila Hotel has been ordered to pay 45,000 pesos (about \$5,700) to a honeymooning couple bumped out of their bridal suits five hours before their time was up.

Justice Onofre Villaluz of the court of appeals declared the hotel failed in 1977 to meet provisions of an advertised "bridal package" that promised Rey Alcasid and his bride, Wilhelmiba, wedding rites at the hotel chapel, breakfast for 100 guests and 24 hours in a bridal suite.

After the Jan. 1, 1977, wedding, the couple was required to check out of their room after 19 hours, the suit claimed. It also said the hotel had told them after the ceremony that the room would not be ready until 5 p.m. so they had to leave in their wedding clothes and wait for three hours elsewhere.

Tamils protest in U.K.

LONDON, July 17 (AP) — Chanting demonstrators, protesting that Sri Lanka is ruled repressively, demonstrated Thursday at a visit by Queen Elizabeth II to a London exhibition about the Asian nation. More than 100 marchers with placards paraded outside the Commonwealth Institute to protest what they said was the harsh treatment of the Tamil peoples by the Sri Lankan government.

The protesters cheered the queen and the duke of Edinburgh when they arrived at the exhibition. The royal couple were met by Sri Lankan Prime Minister Ranasinghe Premadasa.

Many Tamils have been arrested, stripped of civil rights and sometimes have disappeared, Bala claimed. The queen and the duke plan to visit Sri Lanka, which used to be called Ceylon.



GAS TEST: A police officer demonstrates a device for spraying riot control gas over demonstrators, as opposed to firing it from a gun, during a recent meeting of Bavarian government officials at Dachau, near the site of the Nazi concentration camp in West Germany.

China allows U.S. radio reporters

PEKING, July 17 (AP) — China has given permission for the three major U.S. broadcast networks to station one radio correspondent each in Peking, a Foreign Ministry spokesman said Friday.

The networks' Peking bureaus may open almost immediately, the spokesman said, but they have not yet submitted applications for the individual correspondents. Asked whether these correspondents also could do television filming, he said their accreditation would state that they were radio correspondents. Television crews from the three networks now visit China from time to time.

The Voice of America radio also has been given permission to station a correspondent in Peking, the Foreign Ministry's information department said.

NBC news already has announced plans to open a Peking bureau this summer. The spokesman said NBC, CBS and ABC would be given equal treatment.

The 17 American correspondents now stationed in Peking represent the Associated Press, United Press International, nine newspapers and three news magazines. In all, more than 90 foreign correspondents are stationed in Peking.

American task force urged to review UNESCO activity

WASHINGTON, July 17 (AP) — A congressional panel has heard a call for formation of a task force to decide what the United States wants from UNESCO and how to go about it.

Leonard H. Marks, a Washington attorney who is secretary-treasurer of the World Press Freedom Committee, said he favors continued U.S. membership at this time in the Paris-based U.N. Educational, Scientific and Cultural Organization.

If the U.S. were absent, he said, the debate over a new world information order "would continue without us. Our opponents would not be silenced nor would their views change."

Marks said that instead of withdrawing from the organization, U.S. delegates to UNESCO should support the recent declaration of Talloires on freedom of the press. "Only by resisting on the merits of the debate will we gain," he said. The UNESCO debate on the media, he said, had been marked by "controversy and misunderstanding."

Two subcommittees of the House of Representatives Foreign Affairs Committee concluded Thursday their joint hearings on a resolution stating it was the sense of the house that "UNESCO should cease efforts to attempt to regulate the flow of news and information around the world."

They voted to send the resolution to the full committee but Rep. George W. Cockett, Democrat-Michigan, voted negatively, saying "our hands are not clean." He said the U.S. press is not free and referred to a Treasury Department requirement that American subscribers obtain a license in order to receive Cuban newspapers.

Marks told the panel that the United States pays 25 percent of the UNESCO budget — \$49 million a year — and has "little influence on the policy or direction of that agency."

A former director of the U.S. Information Agency, Marks said the proposed task force should review UNESCO activities to deter-

Pop singer dies in car accident

NEW YORK, July 17 (R) — Pop singer Harry Chapin was killed Thursday when his car and an articulated lorry collided on a highway in suburban Long Island, police said.

Chapin, 39, who was often called the American Jacques Brel, was best known for his original ballads which were story songs introducing a contemporary flair to the folk idiom.

His songs included *Taxi*, which told about a man who dreamed of becoming a pilot but wound up driving a cab, and *Cat in the Hat*, which won a 1975 Grammy nomination.

A spokesman for Nassau county police said Chapin's car caught fire immediately after the collision. He was pulled from the car by a passerby, who was injured, and pronounced dead at Nassau county hospital.

Chapin was politically active in liberal causes including a movement to end world hunger. He served during the Carter administration as a member of the president's commission on hunger. He died shortly before he was to give a benefit concert Thursday night in Long Island, where he lived with his wife and five young children.

38 die in train mishap

NEW DELHI, July 17 (R) — At least 38 persons died and 42 were injured in a train crash in the central Indian state of Madhya Pradesh Thursday night, the Press Trust of India (PTI) reported. A railway spokesman said some of the bodies were recovered Friday from smashed coaches of a passenger train which ranned into a goods train near Bilaspur, PTI said.

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Fed role in boosting interest rates denied

WASHINGTON, July 17 (R) — Paul Volcker, chairman of the Federal Reserve Board, has refused to predict the direction of U.S. interest rates, but said the savings and loan industry should not bank on any sharp drop in rates in the near future.

Testifying Thursday before the joint economics committee of Congress, the Central Bank chief denied that the Federal Reserve Board was deliberately creating high interest rates to bring inflation out of the economy, although rates are currently above 20 percent.

But he added: "We do take the view that persistent restraint in the growth rate of the monetary aggregate (money supply) is necessary to ensure lower inflation and therefore lower interest rates, over time."

Volcker said the recent strength of the dollar could not be entirely blamed on high U.S. interest rates. He said some of the dollar's strength had resulted from the shift in U.S. economic policies, particularly against inflation, and some of the weakness of other currencies had been due to internal policies and large balance of payments deficits. Volcker disappointed the money markets by not providing any details of what, if any, changes the

Federal Reserve has made in its monetary policy recently.

However, he is expected to shed some light when he presents the Federal Reserve's mid-year review to Congress next Tuesday.

Thursday Volcker urged Congress not to make further additions to President Reagan's tax cut proposals because the changes could be inflationary and increase the budget deficit.

Reagan has proposed a three-year, 25 percent tax cut for all Americans. Democrats in the House of Representatives favor a two-year, 15 percent cut, but want to add tax breaks for specific groups and individuals. Volcker was particularly critical of a proposal which recently cleared committees in both houses of Congress and would give a tax break to investors who place their money in savings and loan banks, the traditional source of mortgage loans, which are limited by law on the interest rates they can offer and are suffering record losses.

Volcker said the proposal would cost the treasury a lot of money. He said the savings industry should improve its management and become more competitive, but should not bank on a sharp drop in interest rates to solve its problems.

BP succeeds in raising \$1b

LONDON, July 17 (R) — The threat of serious disruption of the London stock market lifted as British Petroleum, the world's fifth-largest oil company, completed a record fund-raising effort that earlier seemed set for disaster.

But BP's operation to raise £624 million (\$1.2 billion) by the issue of new shares still appeared likely to cast gloom over the market and the company for some time, industry analysts said.

BP said 91.6 percent of new shares it had offered to its private shareholders had been accepted. A further 45.6 percent of new shares declined by the government, which holds about 40 percent of the company also taken up by shareholders.

This rate of acceptance was much higher

than stock brokers had feared last week. The financial institutions that underwrote the offer will buy the unaccepted shares to provide BP with the sum in sought.

If a low proportion of new shares had been accepted, the underwriters would have faced a crippling large bill. The disruption would almost certainly have spread through the exchange, hitting share prices. All money-raising through the market would have had to be replanned.

As it is, the massive BP operation is likely to dampen new issues during the next months, analysts said. It has also reinforced the view that BP's prospects are much less rosy than was thought only about a year ago.

The BP issue was the biggest in British history and came close to the world record of \$1.37 billion by the American Telephone and Telegraph Company in 1971.

BP said it wanted the money to develop new oilfields, to invest in new refinery equipment and to help it diversify. But many industry experts believed it also needed cash to help it through a difficult period following its loss of access to Iran's oil and the present slump in oil prices. Under BP's rights issue, each shareholder could buy one new share for every seven held.

The company announced the offer on June 18 and priced the new shares at £2.75 sterling, compared with its market quotation at the time of £3.49. But by last week its share price had collapsed to around £2.80, indicating that few shareholders might accept the offer.

World Bank lends \$140m to Morocco

WASHINGTON, July 17 (AP) — The World Bank has announced two loans totaling \$140 million to Morocco for financial support of the country's industrial development.

One loan of \$70 million will be channeled through the Banque Nationale Pour Development Economique (BNDE) and commercial banks to provide credit for small-scale industries.

A second loan of \$70 million is to help finance foreign exchange requirements of manufacturing and service companies. The loans are for 15 years and bear interest at 9.6 percent annually.

Meanwhile in Dacca, World Bank Vice-President David Hopper Thursday assured Bangladesh of the bank's continued support to its developmental projects.

Hopper, who called on acting President Justice Abdus Sattar said World Bank will support Bangladesh in the implementation of second five-year plan launched last year by late President Ziaur Rahman. Hopper had earlier called on Prime Minister Shah Azizur Rahman who is also in charge of education ministry and assured enhanced World Bank assistance for primary and secondary education.

Rolls Royce cuts jet engine output

LONDON, July 17 (AFP) — Rolls Royce (RR) is to cut output of its famous RB 211 jet engine because of the steep fall in orders for Boeing 747 Jumbo jets and Lockheed Tristars, it was revealed.

A spokesman for RR said Thursday that, at one of the regular meetings with the companies making parts or supplying materials for the RB 211, Rolls Royce "indicated" that the number of aircraft orders expected from 1982 to 1984 had fallen "about 10 percent" below forecasts made 78 months ago. These cuts will affect only the bigger-thrust versions of the engine as used in the Boeing 747 and Lockheed Tristar.

But work is still under way on development of the new dash 535 version of the RB 211 for the Boeing 757 plane, it was added. The plan to build the RB 211 engine was launched in 1968 following financial support from the British government. But it was only after a serious cash-flow problem that production began in 1971.

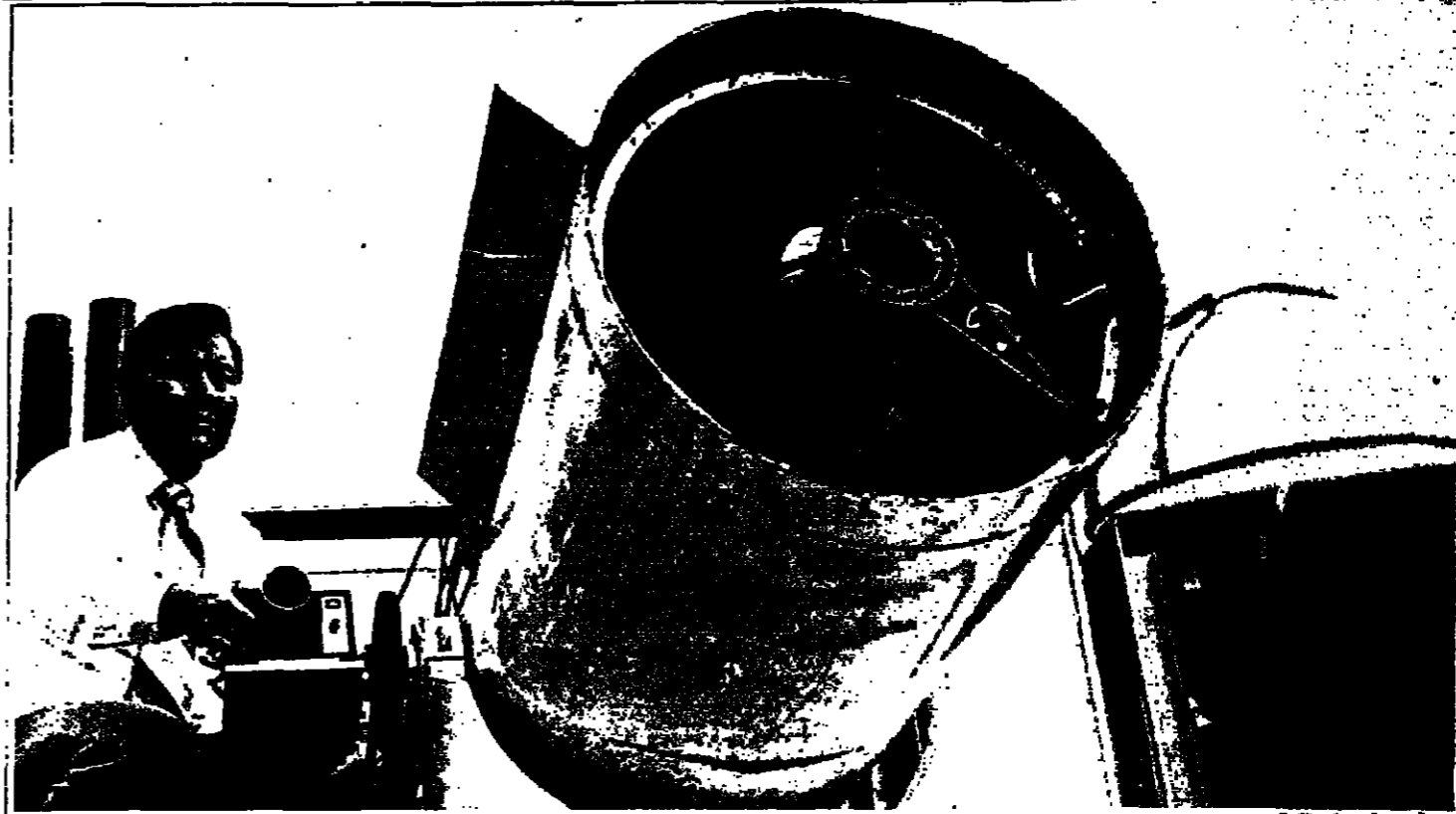
Tanker tonnage records big rise

LONDON, July 17 (AFP) — Tanker tonnage laid up throughout the world reached its highest level for two years in the past four weeks, E. A. Gibson, London shipbroker, has said.

In their latest review Gibson estimated that total tonnage idle rose by 1,200,000 deadweight tons to 16,280,000 tons between mid-June and mid-July and was almost double last year's figure of 9,740,000 tons.

In addition, 6,500,000 tons of supertankers were involved in Japan's massive oil-storage program.

Tonnage scrapped rose by 1,100,000 tons during the month to take the year's total so far to 5,870,000 tons, compared with 4,400,000 tons at the same time a year ago.



MEASURING AIR POLLUTION: A method of using laser beams to measure the density of air pollution has been successfully developed. A tracking device that can be mounted on the back of a truck trailer can now be used to spy out what and who is producing air pollution. Its beam extends to an area of two miles (3.22kms). Called Dial, the laser gun shoots two beams that are used to measure the density of gases. A scientist is seen operating the unit in Alto, California.

Economic crisis deepens

Speculation rife Poland may seek IMF aid

WASHINGTON, July 17 (R) — As the global dimensions of its economic crisis have become clear, speculation has grown that Poland will seek financial help from the International Monetary Fund (IMF).

The fund and its sister agency, the World Bank, have increasingly become lending institutions of last resort for countries which have misused their resources or lived beyond their means for long periods of time.

But U.S. officials and New York banking sources say it is unlikely at present that Poland, despite its \$15 billion debt to commercial banks, will approach the IMF seeking membership. And monetary sources said that despite rumors, the fund had not been approached by the Poles even in a tentative way.

The Soviet Union has opposed Polish membership of the IMF, although banking sources said a minority among the Soviet leadership believe such a move would be a good idea. "The Soviet attitude is very complicated," one source told Reuters. "On ideological grounds they are against it although as a practical matter they can see some benefit."

Poland's difficulties and the political crisis that has accompanied them have been nearly a decade in the making. Initially U.S. banks made loans to help finance the country's ambitious development projects, some of which turned out to be ill-conceived, according to U.S. officials.

These loans were stopped in 1976, but Poland still has outstanding debts totaling \$1.4 billion to some 63 U.S. banks. The Europeans and Japanese entered the picture later in a big way, making huge loans to help shore up the Polish economy. Poland now has some 460 bank and other private creditors worldwide.

Former President Jimmy Carter and more recently the Reagan administration have also been sympathetic toward the Poles, in part because the country has challenged Soviet hegemony in Eastern Europe. President

Reagan in particular has suggested that demands by Polish workers for reforms might be the beginning of a breakdown of Soviet influence.

At a press conference last month, Reagan said events in Poland were "an indication that Communism is an aberration...and I think we are seeing the first beginning cracks, the beginning of the end." This year, U.S. commodity credits totaling \$670 million will be extended to Poland, the largest single amount for any country.

The administration is also under congressional pressure to make a large sale of maize, perhaps as much as \$80 million worth, on an essentially interest-free basis.

These moves are politically attractive in the United States, partly because of the large

number of Americans who are of Polish or other East European origin, but they do not go far in helping Poland move back from the brink of economic collapse.

U.S. bankers say privately that membership of the IMF would go a long way toward bringing about a financial rescue, although it is not the only way. Under ideal conditions a country could work its way through the IMF's complex membership process in as little as six months, although in Poland's case it would probably take a year, monetary sources said.

Earlier this week, a Polish reform committee recommended a series of steps which it believed would bring some economic discipline and help "avoid total collapse of the economy."

Zambian miners to get pay hike

LUSAKA, July 17 (AFP) — Zambia's 50,000 black miners will be given pay raises in August, a union official announced here after a weeklong strike by some of the miners over food supplies came to an end.

The chairman of the Mineworkers Union of Zambia, David Mwila, warned miners Thursday night that any further strike could jeopardize the agreement with employers which he said was about to be finalized.

Mwila said all grades of miners would get pay increases.

SAUDI ARABIAN GOVERNMENT TENDERS				
Authority	Description	Tender No.	Closing Date	
Ministry of Post, Telegraph and Telephone	Supply of technical equipment and facilities for the training institutes in and Jeddah Riyadh	5/401/402	1000	10/8/81
Municipality of Dammam	Supervision of asphaltting, paving illuminating projects in Dammam (second and third group)	—	500	9/8/81
" " "	Supervision of asphaltting, paving and illumination projects in Dammam (first and fourth groups)	—	500	9/8/81
" " "	Supervision of asphaltting, paving and illuminating projects in Dammam (fifth and sixth groups)	—	500	9/8/81

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Berth	Name of Vessel	Agent	Type of Cargo	Date of Arrival
1. VESSELS DISCHARGING				
3.	Royal Star	O.C.E.	Reefer	14.7.81
4.	Malakand	A.E.T.	Poles/Gen/Cross Bars	13.7.81
5.	Han Nuri	O.C.E.	Tyres/Tubes/Ply/Steel	11.7.81
6.	Maldive Novel	O.C.Trade	Timber/Grain/Genl.	1.7.81
7.	Shelhoub-1	O.C.E.	Durra	9.7.81
9.	Eitoku Maru	O.C.E.	Reefer	13.7.81
10.	Al Hodeidah	K.A.A.	Contra/Tiles	15.7.81
11.	Concordia Star	Aisabah	Contra/Timb/Gen/ L. Oil	14.7.81
12.	Krishna Raja	Alsaada	Pipes/Accessories	15.7.81
14/15.	George Z'	O.C.E.	Reefer	9.7.81
15.	Sri Wijaya	Orr	General/Contra.	15.7.81
18.	Medcoment Carrier	Roloco	Bulk Cement	30.6.81
20.	An Hsing	O.C.E.	Steel/Genl./Contra.	11.7.81
21.	Ngomei Chau	Alatas Durra	Star	12.7.8122.
23.	Universal	O.C.Trade	Reefer	10.7.81
24.	Salah-2	O.C.E.	Bagged Barley	24.6.81
25.	Prof. Mierzejewski	O.C.E.	Asbestos	13.7.81
26.	Elfleth	O.C.E.	Contra/Pipes/Reefer	14.7.81
28.	Ocean Enterprise	A.E.T.	Reefer	8.7.81
29.	Saronic Reefer	O.C.E.	Contra/Vehs./Genl.	15.7.81
31.	Aquamarine	O.C.E.	Reefer	22.6.81
36.	Al Ahmadiyah	Barber	ovt. Cargo	15.7.81
38.	Blue Maru	Kanoo	Contra/Load Mty	15.7.81
39.	Aran	Basaboud	Melon Seeds/Durra	13.7.81
		Algeizrah	Pipe Fittings/Flour/ Trls.	14.7.81
40.	Eagle	Aisabah	Barley	29.8.81
41.	El Vina	Fayez	Durra	12.7.81
42.	Marfen	Aisabah	Bagged Barley	14.7.81
2. RECENT ARRIVALS:				
	Maldive Unity	O.Trade	General	15.7.81
	Ocean Enterprise	A.E.T.	Contra/Vehs./Genl.	"
	Krishna Raja	Alsaada	Pipes/Accessories	"
	Sri Wijaya	Orr	Containers/Genl.	"
	Oube Light	Alsaada	Pipes/Pillings/Genl.	"
	Aqua Marine	Barber	Govt. Cargo	"

KING ABDUL AZIZ PORT DAMMAM SHIPS MOVEMENTS UPTO 0700 HOURS OF 15.9.1401/16.7.1981 CHANGES FOR THE PAST 24 HRS.				
2.	Asia No. 12	SMC	General	7.7.81
3.	Saudi Ambassador	Orr	Genl/Timber	11.7.81
4.	Kriti Pearl	Kanoo	General	13.7.81
10.	Geliga (2nd call)	Gossabi	Loading Urea	8.7.81
11.	Saudi Cloud	Orr	Maize	14.7.81
12.	Lamma Island	UEP	General	13.7.81
17.	Vijaya Dershana	Orr	General	14.7.81
22.	Musashi Maru	Alreza	Cars	15.7.81
30.	Hankil	OCE	General	14.7.81
32.	Huang Pugiangng	Orr	General	10.7.81
33.	Tang Shan	Orr	General	12.7.81
34.	Amrita-V	OCE	Plywood-Tea	13.7.81
35.	Linyin	Orr	General	9.7.81
36.	La Estancia (DB)	Aisabah	Bulk Cement	15.7.81
37.	Sunny Island (DB)	AET	Bulk Cement	12.7.81
38.	Nissho Maru (DB)	Globe	Bulk Cement	9.7.81

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France approves additional \$1.5b budget

PARIS, July 17 (R) — The French National Assembly after a Thursday night siring Friday approved a supplementary budget for 1981 to raise an additional 7.7 billion francs (\$1.3 billion), the budget ministry said.

The vote, taken on a show of hands, approved measures announced last month which include a 25 percent temporary surtax on people paying tax of more than 100,000 francs (\$17,000) this year.

The supplementary budget was originally intended to raise 6.8 billion francs (\$1.2 billion), but an additional \$155 million will now be raised by an extra centimes (one cent) tax on petrol, taking the price for super to 3.98 francs (70 cents) per liter from August 1.

Windfall profits made by banks and oil companies will also be taxed, bringing in \$175 million this year from each sector, and a 10 percent tax will be imposed on the general expenses of large companies.

The Socialist Party has a majority in the national assembly following last month's general elections.

The extra money raised will be spent on creating over 54,000 jobs in the public sector and on other measures to ease unemployment.

Jordan's imports hit \$2.3b mark

AMMAN, July 17 (AP) — Jordanian imports reached a record \$2.3 billion in 1980, \$420 million over the figure for the previous year, the department of statistics has announced.

Saudi Arabia, at \$368 million topped the list of countries exporting more than \$100 million worth of goods to Jordan, followed by West Germany (\$230 million), the United States (\$199 million) and Britain (\$180 million).

Foreign Exchange Rates

Quoted at 5:00 P.M. Thursday

	SAMA	Cash	Transfer
Bahraini Dinar	—	9.90	9.65
Bangladesh Taka (100)	—	—	15.10
Belgian Franc (1,000)	85.00	—	86.10
Canadian Dollar	2.84	—	2.85
Deutsche Mark (100)	139.00	141.70	141.35
Dutch Guilder (100)	125.00	127.25	127.00
Egyptian Pound	—	4.03	4.23
East German Dinar (100)	—	93.50	93.00
French Franc (100)	59.00	60.00	59.56
Greek Drachma (1,000)	—	61.00	57.60
Indian Rupee (100)	—	—	38.25
Iranian Rial (100)	—	25.00	—
Israeli Sheqel	—	8.00	8.25
Italian Lira (10,000)	—	28.80	28.40
Japanese Yen (1,000)	—	—	14.80
Jordanian Dinar	—	10.20	10.14
Kuwaiti Dinar	—	12.13	12.06
Lebanese Lira (100)	—	78.30	78.00
Moroccan Dinar (100)	—	65.00	63.20
Pakistan Rupee (100)	—	—	34.58
Philippine Peso (100)	—	—	43.35
Portuguese Escudo (100)	—	6.24	6.47
Qatari Riyal (100)	—	—	94.00
Singapore Dollar (100)	—	—	158.15
Spanish Peseta (1,000)	—	—	35.50
Swiss Franc (100)	163.00	165.00	164.40
Syrian Lira (100)	—	—	66.90
Turkish Lira (1,000)	—	—	33.50
U.S. Dollar	3.41	3,4190	3,4120
Yemeni Rial (100)	—	—	74.75

	Selling Price	Buying Price
Gold kg.	45,550	45,550
10 Tola bar	5,350	5,350
Ounce	1,435	1,400

The above cash and transfer rates are supplied by Al-Rajhi Company for Currency Exchange and Commerce, Gabel St. & Sharafiah, Jeddah, Tels: 6420932, 6530843.



SUMMIT LODGE: The luxurious Chateau Montebelle will be the home for the leaders of the United States, Britain, France, West Germany, Japan, and Italy when they attend the economic summit in Ottawa next week. The chateau is the biggest log structure in the world and was built in three months in 1939. Montebelle is located 40 miles east of Ottawa.

Despite being banned Protectionism takes various forms in EEC

BRUSSELS, July 17 (R) — European textile manufacturers are clamoring for more protection against cheap imports, car makers have demanded cuts in car imports from Japan, and there is talk of new restrictions in Europe on imports of shoes.

Protectionism — formal or informal barriers to commerce and voluntary agreements limiting trade — is spreading.

It has entangled the European Economic Community (EEC) in a web of trade restrictions as governments and industry try to fight unemployment and weak balances of payments.

Abroad, the EEC already limits imports of cheap textiles from the developing countries, under a so-called multi-fiber arrangement (MFA) now up for renewal, and EEC states

have set up formal or informal barriers against Japanese cars.

In the international temples of free trade, protectionism is considered disreputable. Inside the EEC, it is banned by Common Market treaties, and West Germany in particular has led a series of vociferous campaigns in favor of free trade.

But even though it is outlawed in the EEC and condemned as anathema by the EEC Commission, protectionism has sprung up in a variety of forms within the Common Market. Strict trade specifications effectively keep out goods from other EEC countries, restrictive legislation hampers trade, governments pay subsidies to loss-making firms and buy the products of national industry for major public investment programs.

Ex-Im bank ups interest to 10.75 %

WASHINGTON, July 17 (AP) — Interest on loans to help U.S. businessmen export their products will be raised to 10.75 percent a year for everything but aircraft, the U.S. government's Export-Import Bank has announced.

A separate announcement was promised soon on the aircraft industry, which has been one of the biggest beneficiaries of the cheap loans.

Until now the previous basic interest rate was 8.75 percent, closer to those offered by competitors such as France, Britain and Japan in the "credit war" for new international business.

The decision was the first under the newly confirmed president of the bank, William H. Draper III. It drew immediate and sharp criticism from Senator John Heinz, the Pennsylvania Republican who heads the

Senate subcommittee on international finance and monetary policy.

Successive U.S. administrations have sought unsuccessfully to put an internationally agreed floor under these interest rates, which in some countries are given at the expense of the taxpayer. France has been the major obstacle, but Secretary of Commerce Malcolm Baldrige has said since the election of French President Francois Mitterrand he sees some hope of an agreement. Further negotiations are expected in the fall.

Draper said the new U.S. interest rate, plus a one-time 2 percent fee on each loan, is designed to cut the bank's expected losses. Ann Frey, public information officer at the bank, told the Associated Press it is not yet clear whether the \$10 million loss, expected for the year ending Sept. 30, will now be eliminated.

Senate amends income-tax bill

WASHINGTON, July 17 (R) — The U.S. Senate, overriding objections from President Ronald Reagan, has passed its first major amendment to the president's tax-cutting program.

The amendment, approved Thursday by 57 votes to 40 in the Republican-controlled Senate, would reduce the scheduled income-tax increases of people pushed into higher tax brackets by inflation.

Senate leaders said they hoped to pass the

full tax bill, which calls for \$280 billion in personal and business tax cuts over three years, by the weekend or early next week.

The bill has yet to be considered by the House of Representatives whose Ways and Means Committee has nearly finished work on an alternative tax cut proposal. The tax bill and severe cuts in government social spending form the main ingredients of Reagan's economic policy.

Despite 13 years of nominal "customs union" within the EEC, complex frontier formalities still survive between the 10 EEC states — more elaborate for example than those between the Scandinavian states grouped in the Nordic Union.

According to the EEC Commission, the time and effort wasted by anachronistic customs barriers are adding between five and 10 percent to the cost of goods traded in the EEC. "Old barriers are being created," the commission charged in a recent report. "These hindrances to trade are jeopardizing and undermining the future of the Common Market, by discouraging business initiative and dampening investment," it said.

But while the commission believes that Europe can prosper only if it achieves a dynamic internal market, big enough to give it scale economies making its industry competitive abroad, a group of private analysts has forecast that protectionism is likely to increase.

According to Brussels-based "European Research Associates," in a study on protectionism, Europe effectively has no real free trade option in its commerce with the rest of the world. Competition from Japan, South Korea, Taiwan, Brazil and other newly-industrializing countries has sent shock waves through the old-established industrial societies of Western Europe and North America. Unemployment in the EEC is at a record 8.5 million and likely to go on rising.

Developing countries already apply protectionist restrictions, and in the scramble for markets the old industrial nations have less and less breathing space in terms of technological advance and quality.

Europe's economic and political stability now risks being undermined by a commercial onslaught from competing countries with radically different social and economic systems. "Free trade... will end, sooner or later, in the economic balkanization of Europe," these analysts maintain.

And if free trade as an option is excluded, the only question for the future is how well can the inevitable spread of protectionism be managed, they argue. In a snub to West Germany, whose free trade principles have hindered a joint EEC stand on trade issues where other states would like more protection, these analysts say that West Germany's principles could lash back in its face.

Tops Seagram's offer Mobil joins race for Conoco

NEW YORK, July 17 (AP) — Mobil Corp., the United States' second-largest oil company, has joined the bidding war for Conoco Inc., a battle that has been escalating since Conoco directors endorsed a competing bid from Du Pont Co., a newspaper reported Friday.

The *New York Times* said Mobil has bid \$90 a share in cash for 43.5 million shares for an offer of 3.92 billion dollars. Mobil is seeking 51 percent of Conoco's outstanding shares, *The Times* said.

It was reported earlier this week that Mobil had negotiated \$5 billion of credit to make the offer. The offer exceeded one made by Seagram Co. Ltd., which bid \$85 cash a share for 51 percent of the stock, or \$3.8 billion. A federal judge in Manhattan Thursday denied Conoco's efforts to block Seagram from proceeding with the offer.

Conoco has agreed to be acquired by the chemical giant Du Pont for cash and stock worth \$7.4 billion. The Du Pont offer would pay \$95 a share for 40 percent of Conoco and 1.7 shares of stock for each share of the

remaining 60 percent.

Texaco Inc. also has expressed an interest in Conoco, but a Texaco spokesman could not be reached for comment Thursday. A spokesman for Conoco, reached at home by the times late Thursday night, said the company would have no comment on the Mobil bid.

Meanwhile, the chairman of one of America's largest oil companies says he is "distressed" that other oil companies are considering trying to acquire Conoco and says he fears such a merger would cause a battle between the government and oil companies.

George Keller, the chairman of Standard Oil Co. of California, said a takeover of Conoco by either Mobil or Texaco would represent "a terrible challenge to the antitrust laws." "There's a risk it might be seen as a situation where big oil is trying to overwhelm the government," Keller said in a telephone interview Thursday night. That followed an interview in the *Oakland Tribune* where he expressed alarm about the possibility of a merger.

Dollar rallies as gold eases

LONDON, July 17 (AP) — The dollar rebounded from Thursday's two-week lows against the West German mark and other leading currencies on world money markets Friday. Gold prices eased.

Slightly higher Eurodollar interest rates and anxiety about the Polish congress and restated U.S. commitment to tight money policies all helped the dollar, dealers said.

"The dollar seems well bid today, especially with the Polish situation," said a dealer at Citibank in London.

Dollar rates in Europe compared to late Thursday:

2.0865 Swiss francs, up from 2.0678, 5.7675 French francs, up from 5.7125, 2.7015 Dutch guilders, up from 2.6818, 1,209.50 Italian lira, up from 1,203.15.

The British pound was worth \$1.8703 from \$1.8810 Thursday.

The London gold price, just before the city's five bullion houses fixed a morning price, was \$416.50 a troy ounce, down from \$418.50 late Thursday.

In Tokyo, the Japanese yen opened at its lowest level for 14 months on the foreign exchange market, despite statements Thursday suggesting that the government would intervene to prevent it depreciating any further.

The yen's value has declined steadily, contrary to the predictions of many experts, since the beginning of the year when it was traded at about 200 to the dollar. It opened Friday at 232.30 to the dollar, the lowest since May last year, dealers said.

Iran parliament okays \$39b budget

LONDON, July 17 (R) — Iran's parliament has trimmed spending estimates and approved a 3,165 billion rial budget, up from 2,840 billion in 1980-81, the official Pars News Agency has said.

The latest budget is worth \$39 billion at the current exchange rate. Last year's was worth \$40 billion, but since then the value of the rial has declined from 71 to the dollar to 81.

The approved budget, which covers the Iranian year from last March 21, compares with a draft figure of 3,305 billion rials presented to the house in April by Prime Minister Muhammad Ali Rajai.

Although Rajai said at the time that there would not be any deficit for the current year, Pars said the government faces a deficit of 702 billion rials against last year's 878 billion rial shortfall.

Pars, in a dispatch received in Ankara by the Turkish state news agency, said the budget deficit would be partly covered by the state of government bonds. It said the remainder would be made up by bank borrowings and the export of more oil "if price conditions are favorable." Oil sales are fixed in foreign hard currencies.

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BRIEFS

MOSCOW, (AFP) — Poland's economic battle can be won only with a solid ideological fight, the Soviet government paper *Izvestia* said here Friday. The paper added that "normalization of social life and industrial production only come about with order and calm and if demonstrations of anarchy and destabilizing actions meet a resolute response."


MUNICH, (AFP) — A prototype of a computerized machine the size of a transistor radio which can detect cancerous cells in a few minutes has been presented to the press here. The machine, equipped with a micro-computer, can analyze about 200 cells a second and can diagnose a malignant tumor after examining between 50,000 and 100,000 cells in a few minutes. Researchers at the Max-Planck Institute said the device would not be ready for five years.

WASHINGTON, (AFP) — U.S. oil and petroleum product imports in the first half

of this year averaged 5,900,000 barrels a day, 19.9 percent down on a year earlier. Industry statistics showed here. Crude oil intake averaged 4,400,000 barrels a day against 5,700,000 and products 1,500,000 against 1,700,000.

PARIS, (AFP) — The president of the European Community Commission Gaston Thorn has said he expected the United States shortly to change its monetary policy in a way that would be less damaging to European economies. He also said on French radio that he was convinced that European leaders would speak with a single voice on this at the Ottawa summit of seven leading Western industrialized nations on July 20 and 21.

LONDON, (AFP) — The spot price of British North Sea oil from the Forties field this week crept up by some \$1.5 to \$34.5 or so a barrel, industry executives reported here Friday.



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Two share lead in British Open

Nicklaus begins on wrong foot

SANOWICH, England, July 17 (R) — Three-time champion Jack Nicklaus crashed out of contention in the first round of the British Open Golf Championship at Royal St. George's Thursday and will probably not qualify for the final two rounds.

On a day when Vicente Fernandez of Argentina and Nick Job of Britain shared the lead with even par rounds of 70 — the first time since 1939 that no one broke par in the opening round — Nicklaus had a disastrous 13 over par 83, his worst score in 20 British Open Championships.

A stiff breeze whistled over the 6829-yard course for most of the day. But the American "Golden Bear", arguably the world's greatest golfer, was the primary casualty.

"It seemed like every time I hit a half decent shot I got a bad bounce," the 41-year-old winner of 17 major championships said later. "Then every time I tried to make up for it, it got worse. I tried on every shot, but that was the best score I could get out there today," Nicklaus said. "Normally I can get myself excited when things go wrong and pull myself back into the game. Today I just couldn't pick myself up."

Nicklaus had bad news from home Wednesday night. His son was involved in a car accident in Cleveland, ironically on the Jack

Nicklaus boulevard. But he refused to make that an excuse. "I spoke to him this morning, and he's all right," Nicklaus said he has a couple of cuts and bruises on his leg.

Although only seven men had worse rounds than Nicklaus Thursday, there were other notable victims. American Craig Stadler, eight, on this season's U.S. money winning list also took 83, south African Gary Player, another three-time winner, shot 79, and American Lee Trevino, champion in 1971 and 1972, took 77.

Nick Job, the 300 to one outsider who has never been able to do himself justice in a British Open before, shot a level-par 70 and then proclaimed: "If you were of a nervous disposition, you could come off this course shell-shocked."

The freckle-faced Englishman, 31, stayed in the lead for most of the day as golfer after golfer failed to master the course.

Job, a Kent man who now lives at Kingston, Surrey, said "it is very tough going and the pin positions were quite incredible. Anybody who puts the flags where they were set today was asking for a lot of criticism. They have been put on the top of knolls and crowns."

Job, who came through the qualifying competition at Princes, had his best open fin-

ish (23rd) at St. Andrews in 1978. He enjoyed the seaside course with green grass and said: "These are some of the best fairways I have ever seen. It is far better than when it is dusty and bouncy." It is five years since Job scored his last tournament win, the "Victoria Falls Classic."

In Europe his best performance was to lose a play-off to Brian Barnes in the 1978 "Greater Manchester Open." Unlike most challengers Job, who had four birdies and four bogeys, kept his score together by playing the last four holes in level par. At the seventeenth he rifled a one iron shot into the green, the first time he had ever used the club. "I picked it up in the exhibition tent earlier this week. I haven't paid for it yet, so perhaps they'll give it to me now," laughed Job.

In Coal Valley, Illinois, veteran Rod Curl's seventh birdie of the day on the 15th hole broke a 5-way tie for the first-round lead and helped him to a 5-under-par 65 in the Quad Cities Open.

The 38-year-old shot 7 threes on the front side, the first time in his 13-year career, to move into contention. Curl then bridled 14 to share the lead before he sank a 6-foot putt for another birdie on the next hole at Oakwood Coiary Club.

Sharing second place, all at 4-under-par 66, were veterans Allen Miller, Jack Renner and non-winner Sammy Racheis. Another stroke back at 3-under-par 67 came former tennis professional Frank Conner, non-winner Joe Hagers and Vance Heafner, rookie Clarence Rose and Mike Preston, a club professional from Cream Ridge, New Jersey.

Involved in a multi-player logjam at 68 were defending champion Scott Hoch, former U.S. Open titleholder Andy North and Miller Barber, the winner of more than \$1.5 million in his long career.

Curtis Strange, the top money winner of 1981 who is playing in this field, settled for a 69. Chi Chi Rodriguez, second at Milwaukee last week, scrambled to a 72.

In the women's event, Sally Little, who hasn't successfully defended any of her 10 LPGA titles, took a strong step towards snapping that jinx Thursday when she shot a 4-under-par 68 to share first place in the \$125,000 Western Union International classic with Vivian Brownlee.

The 29-year-old Little, who has three Ladies Professional Golfers Association victories this year, had four birdies in what she called "a very consistent round, especially chipping."

Brownlee, 34, who has only one championship since joining the tour in 1975, had a double-bogey and a bogey on the front nine, but countered with seven birdies that more than offset three putts on the 17th hole.

Cathy Reynolds 1979 U.S. Open champion Jerilyn Britz and Vicki Ferguson were deadlocked for third place at 3-under-par 69.

Bunched together at 70 were second-year pro Holly Hartley, Julie Stanger, Kyle O'Brien and 22-year-old Edwina Kennedy, an amateur.

Owners unrelenting

Baseball talks flounder

NEW YORK, July 17 (AP) — Talks in the 35-day-old major league baseball strike fell apart again Thursday night as management's Player Relations Committee rejected a proposal to submit the issues to binding arbitration. The striking Players Association made the offer late Thursday.

In a formal statement issued by the Player Relations Committee, the 26 major league club owners said "arbitration is not an acceptable alternative on the issue of compensation."

Union Chief Marvin Miller had suggested the arbitration as a solution to the stalemate strike, which has forced cancellation of 406 games, or more than 19 percent of the season's schedule.

Miller said that if management would accept a ruling on the issues by University of Kansas law professor Raymond Goetz, baseball's permanent arbitrator, "the players are ready to go back to work almost immediately."

Ray Grebey, chief negotiator for the owners, accused Miller of conducting a "public relations ploy."

Early in the strike which began June 12, Miller had rejected the idea of arbitration. "But you reach a point when you get a feeling nothing will happen to solve the issue through negotiations," he said.

Earlier Thursday, management submit-

ted a new proposal to the players but tied a settlement to it several pre-conditions including the issue of credited service time, an explosive question that would affect every major leaguer. At that time, the owners said they would not give credit for strike time and would resume service credit as of Thursday if agreement was reached in a reasonable time.

The players are demanding credited service for the entire period of the strike and the issue is important because it involves the formula used to compute fringe benefits such as eligibility for free agency and salary arbitration.

Ray Grebey, director of the PRC, said the owners' group was prepared to submit that question to arbitration, but Miller rejected that idea at the time.

Asked what might happen if management turns down the idea, Miller said, "if they refuse, well, we'll face that when it happens."

Earlier Thursday, federal mediator Kenneth Moffett had indicated that if talks broke off, the next move would be to Washington, D.C. U.S. Labor Secretary Raymond Donovan had addressed both sides in the stalemate on Wednesday, urging them to "get down to serious bargaining."

Arnoux, Prost sparkle

British Grand Prix officials bow to FISA

SILVERSTONE, England, July 17 (AP) — British Grand Prix officials bowed Thursday to the International Auto Sports Federation (FISA) and banned controversial Lotus 88 from Saturday's world championship race.

Lotus team owner Colin Chapman described as "deeply disappointed and surprised," immediately started planning to try to get two of the legal model 87s into the final qualifying session Friday.

Mechanics were at work tearing down the 88s within minutes of the formal judgement which has many parts in common with the 87.

Lotus drivers Eliot de Angelis and Nigel Mansell have run well in the other car in recent races and could be well placed on the grid. At present dominated by the Renault Turbos.

French drivers Rene Arnoux and Alain Prost took the fastest times in the first qualifying session here Thursday.

Rene Arnoux was in the provisional pole spot with a flying lap of 1, minute 12.158 seconds, an average speed of 146.1 miles per hour (235.415 kph) on the fastest track in the Grand Prix season.

Alain Prost was less than one-tenth of a

second slower at 1:12.237 — 146.119 miles per hour (235.156 kph). Two drivers crashed at around 120 miles per hour at the Chicane, before the pit straight, but escaped injury.

American Eddie Cheever wrecked the front of the new Tyrrell and Briton Brian Henton badly damaged the front and left side of the Turbo Toleman, after setting a qualifying time for the first time this season.

Officials gave former world champion Mario Andretti of the United States no times for the session, because his car failed one ground clearance test. Later he was given 11th fastest time in his Alfa Romeo.

"I'm obviously very satisfied," said Arnoux of the first time trial. "We found the right balance for our car quickly. The skirt have been slightly modified since Dijon."

"Actually my result and Prost's do not surprise me. Silverstone is good for us. It's a fast track and in spots we were going 306 to 307 kmph," Arnoux said.

The other top Turbos, the Ferraris of France's Didier Pironi and Canadian Gilles Villeneuve, were disappointments, having troubles with staying on the ground.

Ligier went out in disaster as France's Jacques Laffite and Patrick Tambay were each

eliminated with transmission problems.

Fastest behind the Renaults was Brazil's Nelson Piquet in the Brabham-Cosworth, trial of the new Brabham engine having proved fast but not as quick as the regular car.

World champion Alan Jones of Australia was fourth in a Williams from Britain's John Watson in a McLaren and the second Williams of Carlos Reutemann.

The two Lotus 88 models, declared illegal Thursday morning by the International Auto Sport Federation (FISA) President Marie Marie Balestre, were allowed to run in qualifying.

Time trial results on Thursday were: 1. Rene Arnoux (France) Renault-Turbo 1:12.15, 2. Alain Prost (France) Renault-Turbo 1:12.23, 3. Nelson Piquet (Brazil) Brabham 1:12.32, 4. Alan Jones (Australia) Williams 1:12.99, 5. John Watson (Britain) McLaren 1:13.37, 6. Carlos Reutemann (Argentina) Williams 1:13.46, 7. Andrea de Cesaris (Italy) McLaren 1:13.97, 8. Didier Pironi (France) Ferrari Turbo 1:14.07, 9. Bruno Giacomelli (Italy) Alfa Romeo 1:14.11, 10. Gilles Villeneuve (Canada) Ferrari-Turbo 1:14.18.

said will be an outstanding star in several years.

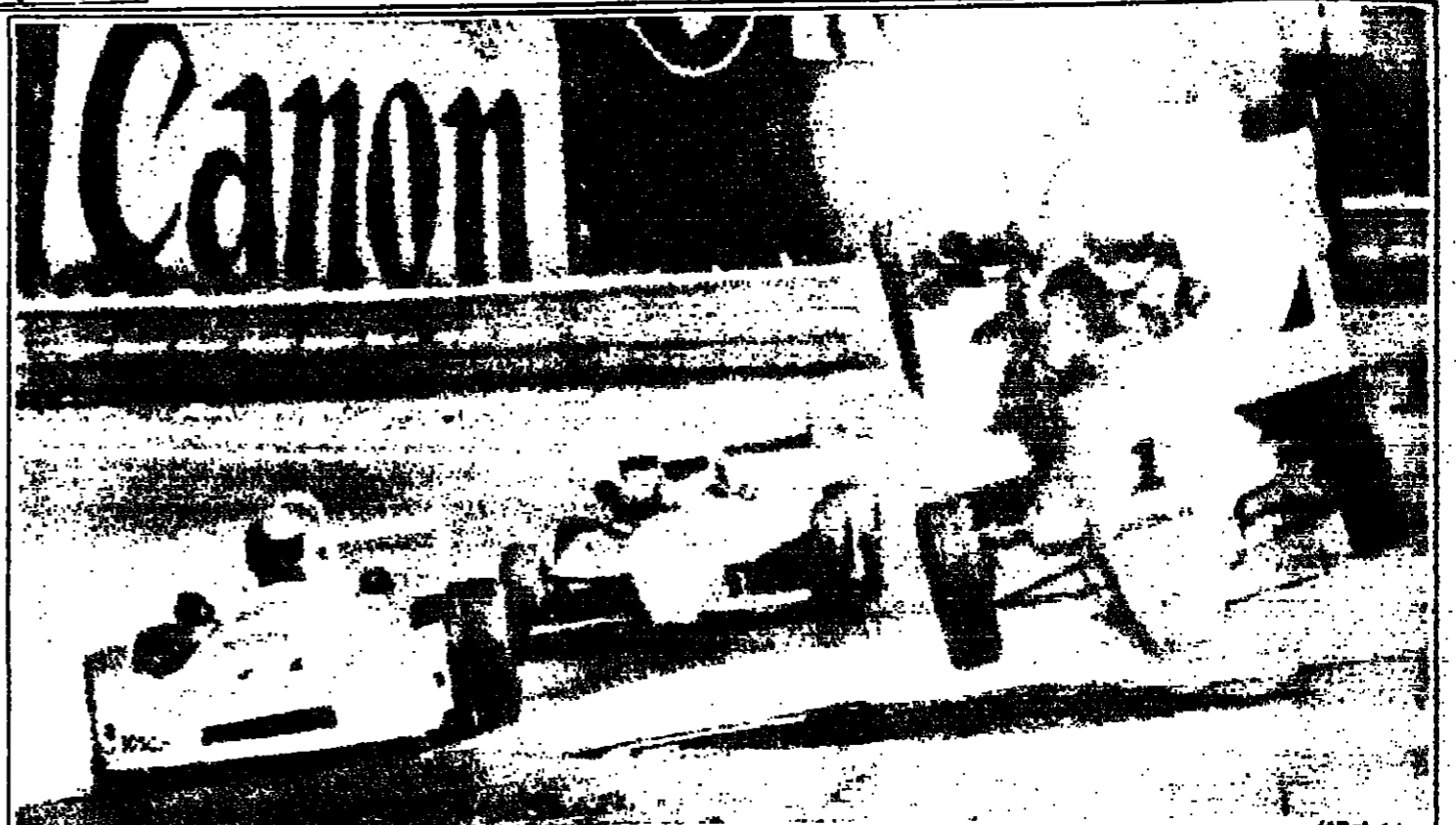
Anderson's dogged performance kept his Peugeot team in the team lead. A 26-strong pack soon formed, with five Peugeot men, five Caprisonne men, but only three cyclists from Renault, Hinault's team. Team standings are based on the top four finishers from each team.

Hinault didn't have time to look back and was neck and neck with Willems to the finish when he narrowly avoided toppling over France's Jean-Louis Gauthier who fell and was hit by Didier de Belgium. Willems profited from this to race ahead and leave the probable tour winner in second.

But the day was a disaster for Hinault's team and not a little bit because Hinault attacked so hard today instead of pulling his team along with him.

Leading stage placings: 1. Daniel Willems (Belgium) 3:07.02, 2. Bernard Hinault (France) 3:07.03, 3. Ludo Peters (Belgium), 4. Philip Anderson (Australia), 5. Patrick Friou (France), 6. Ronny Claes (Belgium).

Leading overall placings: 1. Bernard Hinault (France) 84 hours 55 mins 45 secs, 2. Lucien Van Impe (Belgium) at 12 minutes 32 seconds, 3. Rober Alban (France) at 13.50, 4. Joop Zoetemelk (Netherlands) at 15.21, 5. Peter Winnen (Netherlands) at 16.33, 6. Jean-Renebernaudeau (France) at 18.59, 7. Sven-Ake Nilsson (Sweden) at 19.01, 8. Johan de Mynck (Belgium) at 21.09, 9. Claude Criquiellion (France) at 22.49, 10. Alfons de Wolf (Belgium) at 25.36.



SHORT CUT: Jim Hickman from Chambles flies over the chicane striped bumps during the Super Vee Race on the Grand Prix course at Watkins Glen recently. Hickman was unhurt but the car suffered suspension damage. Hickman is followed by Jon-Q-Peterson of Shrewsport (71) and Pete Halsmer (14) of Lafayette. (AP photo)

Michael Spinks fancied to beat Eddie Mustafa

LAS VEGAS, Nevada, July 17 (AP) — Michael Spinks is the favorite in his World Boxing Association light heavyweight title bout against champion Eddie Mustafa Muhammad Saturday, but he says that doesn't mean a thing once they get into the ring.

"I respect any man that has two fights that would hit me," Spinks said. "I'm not going to stand in front of him and let him hit me."

Spinks, rated the No. 1 contender by both the WBA and the World Boxing Council, finally gets his chance to step out of his older brother's shadow in the scheduled 15-round bout.

"It's the biggest fight of my career," he said. "I don't know if it's the toughest opponent, but it's the biggest fight."

Spinks' brother, former heavyweight champion Leon Spinks, will be at ringside, the younger Spinks said. He said his controversial sibling's well-known brushes with the law had not distracted him. "Not one bit," he said. "He's not coming here and driving his Cadillac through my training session."

Michael, now 16-0 with 11 knockouts, was in his seventh professional fight on the undercard at the Las Vegas Hilton in February 1978 when Leon scored a split decision over Muhammad Ali to win the undisputed heavyweight championship. Michael's 10-round decision over Mike Bethea went virtually unnoticed in the hubbub over one of the great upsets in boxing history.

Following his brother's victory — and the controversy surrounding the WBC's decision to strip him of his half of the title — Michael didn't fight for 10 months.

"I just had to take a layoff," he said. "There wasn't any reason for both of us fighting. There was too much going on. I wouldn't have been comfortable."

The younger Spinks has been in his brother's shadow since 1976, when both won gold medals at the Montreal Olympics. Leon scored two knockouts and two unanimous decisions to win his gold, while Michael had an easier route, including a decision and a third-round knockout.

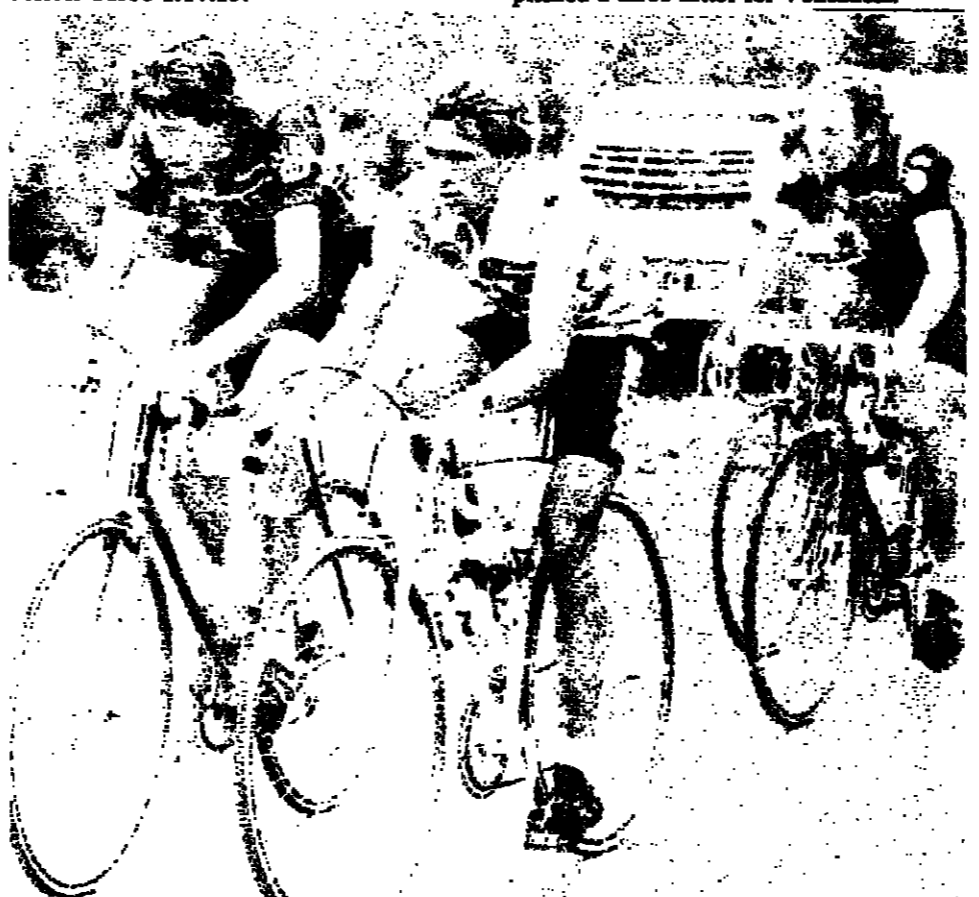
Spinks said he would get \$125,000 for the fight, while Muhammad reportedly will get \$300,000.

U.S. makes final

NEWARK, Ohio, July 17 (AP) — The United States advanced to the finals of the World Friendship Baseball series Thursday night with a 10-0 victory over El Salvador behind the 14-strikeout, four-hit pitching of Todd Burns. Burns and Craig Hefner had three hits apiece for the United States, which finished 5-0 in regulation play.

Australia and Venezuela clinched spots in Friday's third-place playoffs with shutout victories: Australia blanked Guatemala 10-0 as Malcolm Gregg pitched a one-hitter.

Julio Lira's single and double broke open a pitchers' duel in the late innings as Venezuela rallied to beat Canada 6-0. Antonio Castillo pitched a three-hitter for Venezuela.



THE BREAK: The group that broke off from the pack, Robert Alban, Johan Van de Velde of Holland and Belgium's Lucien Van Impe pedaling it out for the lead in the Tour de France. (AP photo)

Dyson slams century

Australia well placed

LEEDS, July 17 (AFP) — Kim Hughes kept Australia in firm control of the third Test against England at Headingley Friday by batting through a rain-interrupted second morning.

He was unbeaten on 46 at lunch, when Australia had carried their 203 for 3 to 250 for four in the 85-minute session.

England's only success was the wicket of nightwatchman Ray Bright. He departed at 220, in the fifth over of the new ball, when Kent fast bowler Graham Dilley was, for once, on target and yanked his off stump.

As Graham Yallop settled in with Hughes, England's chances of winning here and so pulling themselves back into contention for the ashes looked forlorn.

Despite the net loss of 51 minutes to rain over the lunch period Thursday, Australia advanced to 203 for three, with opener John Dyson scoring his first Test century (102).

It was an unhappy return to the England camp for Mike Brearley from the moment he lost the toss and was forced into the field. England's decision to omit spinner John Emburey on a dusty pitch and play four quick bowlers instead soon appeared an error of judgment.

The Australians had decided the pitch would turn and played the left-arm Ray Bright instead of Rodney Hogg. But England were left with just Peter Willey, whose spinning finger is still suffering from a blow inflicted by Surrey's Sulvester Clarke.

Willey, who was called into the front line as early as the 38th over, claimed one of the three wickets to fall, leaving Emburey watching in frustration from the pavilion balcony.

Even the chairman of the selectors Alec Bedser admitted later: "We left Emburey out

because we thought there was bounce and movement in the pitch, but we might have been wrong."

The Australians were given an encouraging start of 55 before Grame Wood, who had raced to 34, was leg-before to Ian Botham's third ball of the day. Stoppages of 111 minutes for rain and bad light, which extended play late in the day was followed by England's unhappiest period.

Trevor Chappell and Dyson, both fighting for their Test places, were left off the hook through dropped catches. When Chappell had made three, he was put down at second slip by David Gower, normally a cover fielder, off Botham. With the Australians 90 for one, Chappell was again dropped, this time by Botham at third slip off Willis. On both occasions Brearley, a slip specialist, was fielding elsewhere.

Meanwhile, captains Mike Brearley and Kim Hughes sorted out the controversy over Dennis Lillee's disappearances from the field during Test matches to change his shirt.

Australian captain Hughes was upset when Brearley raised the issue with the Test and County Cricket Board last week and it was implied that Lillee was going off to have a shower and freshen up.

And Brearley upset the Australian camp by saying that Lillee would have to cut it out. Lillee, a heavy perspirer, after suffering pneumonia earlier in the tour, was guarding against catching a chill and acting on doctor's orders.

Hughes said tonight: "I had a quick chat with the Mike and it was solved in five seconds. There are not problems whatsoever. "He can go off providing it's just to change his shirt and he will have to come out after an over or two."

Fine all-round show by Greig

LONDON, July 17 (AP) — South African Ian Greig followed a fine bowling performance with a top score of 78 not out Thursday as Sussex powered toward an English County Cricket Championship victory over Surrey at Hove.

Greig, brother of former England captain Tony Greig, took four for 41 Wednesday as Surrey was dismissed for 175 and again led the way Thursday, rapping 11 fours as Sussex piled up a first innings lead of 114.

West Indian Gordon Greenidge recorded his fourth century of the season as Hampshire built up a big lead over Derbyshire at Portsmouth. Greenidge hit 109, including five sixes and nine fours, to enable Hampshire to declare at 345 for eight, a lead of 241.

Gloucestershire's Zaheer Abbas scored 71 against Worcestershire to take his total runs for the season to 1,526. His innings included three sixes and eight fours.

At Southend, 17 wickets fell for a total of 194 to leave Northamptonshire in with a chance of scoring an upset victory over Essex. Essex was dismissed for 108 in its second innings, leaving Northamptonshire a victory target of 219. Northamptonshire was 60 for

one when a thunderstorm washed out play for the day.

At Southend: Essex 196 in 68.3 overs and 108 (B. Hardie 45, B. Griffiths four for 27, N. Mallender four for 42). Northamptonshire 86 in 46.5 overs (J. Lever six for 47) and 60 for one.

At Bristol: Worcestershire 316 for five deal in 93 overs and 49 for no wicket. Gloucestershire 251 for eight deal, in 85 overs (A. Stovold 67, Zaheer Abbas 71).

At Lords: Middlesex 167 and 97 for no wicket (G. Barlow 53 not out). Kent 284 in 96 overs (C. Cowdrey 60, Asif Iqbal 55, W. Daniel four for 74).

At Portsmouth: Derbyshire 104 in 62.1 overs and 57 for one. Hampshire 345 for eight deal. (G. Greenidge 109, D. Turner 48, M. Marshall 40 not out).

At Coventry: Warwickshire 136 in 64.4 overs and 36 for no wicket. Leicestershire 357 for nine deal.

At Cardiff: Glamorgan 343 for six deal. Yorkshire 185 in 65.4 overs (M. Nash three for 37) and 110 for two (W. Athey 43 not out, K. Sharp 41).

Clerc too good for Fillol

BROOKLINE, Massachusetts, July 12 (AP) — Jose-Luis Clerc and Ricardo Cano, Argentina's two best players, continued the South American domination of the U.S. Pro Tennis Championships with speedy, straight set victories Thursday. Both advanced to Saturday's quarterfinals of the event which has just six of the 16 seeded players surviving.

The top-seeded Clerc, playing his third singles match in less than 40 hours, took 59 minutes to dispose of Jaime Fillol of Chile, 6-3 6-1. Cano, seeded 14th, needed just one minute more than his countryman to get by Juan Nunez of Chile, 6-1, 6-2.

Veteran Manuel Orantes of Spain, the U.S. pro champion 1977 and 1978, prevented South Americans from making a clean sweep of Thursday afternoon's singles matches. He outlasted 12th-seeded Ricardo Ycaza of Ecuador, 7-5, 3-6, 6-4.

Clerc, who arrived here late Monday night after a weekend of Davis Cup matches in Romania said, "I returned very well. Jaime did not play so well. He missed a lot of easy balls. I am lucky. I have been tired and it was a quick match."

Clerc, ranked sixth in the world, broke three of Fillol's five services in the opening set, including the final game that he won when Fillol double faulted. Clerc raced into a 4-1 lead in the next set, broke Fillol with a backhand passing shot on a service return and clinched the match in the next game when Fillol short-hopped a forehand that sailed long.

Clerc's next opponent is the unseeded

Orantes, who is coming back from elbow and wrist surgery last year. The Spanish southpaw won the first set over Ycaza after trialing 5-2.

Orantes took a 5-4 edge in the final set as both players held their services in the first nine games.

The 23-year-old Ycaza served the next game and won the first two points, but Orantes tied it at 30-30. Ycaza then hit a backhand passing shot long and lost the match when Orantes passed him with a backhand down the line.

Nunez failed to hold service in the first set against Cano, winning only the sixth game. He broke Cano in the second set, cutting Cano's lead to 3-2. But Cano broke right back and won the next two games, giving him the match.

In a late night match, the first between two seeded players, third-seeded Eliot Teltscher pulled away from 16th-seeded Vince Van Patten midway through the first set and rolled to a 6-4, 6-2 victory.

Teltscher and Van Patten split the first eight games. In the ninth game Van Patten had a break point, but lost the next three points as Teltscher won the game.

Teltscher broke Van Patten's service in the next game, winning it with a forehand drop shot that caught Van Patten at the baseline. "We had a long game at 4-4 and it could have gone either way and I won. Maybe that was the turning point," Teltscher said.

The 22-year-old Teltscher broke three of Van Patten's four serves in the second set, including the final game. He won that when Van Patten netted a forehand from the baseline.

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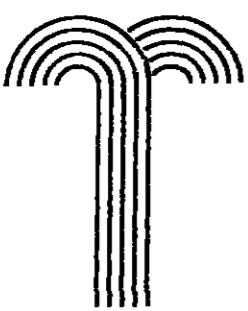
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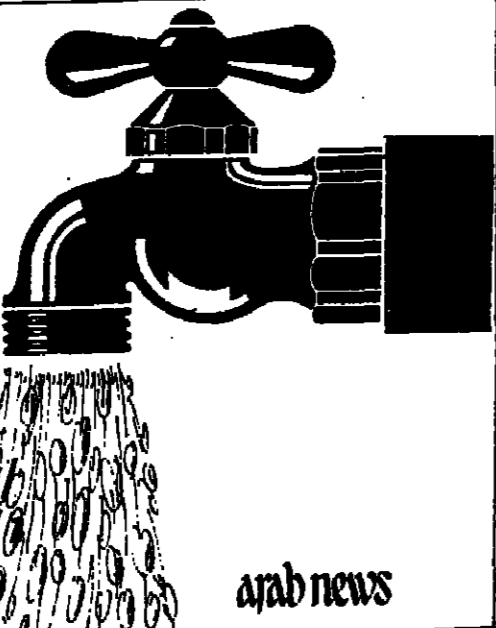
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Please furnish us with a copy of the shippers invoice. On fulfilment of all above requirements, we shall be able to issue our delivery order on Jeddah customs. Please note E.T.A. of Vessel is 21 July, 1981.

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PAGE 16

Untold damage

Chinese floods kill 3,000; houses razed

PEKING, July 17 (Agencies) — Massive floods in China's most populous province have killed 3,000 persons and injured 50,000 to 100,000. Sichuan provincial officials said Friday. Another 400,000 persons were left homeless by the floods touched off by heavy rains Sunday through Tuesday in southwestern China, they said.

Provincial government officials reached by telephone from Peking said houses totaling 400,000 rooms were destroyed. By Friday, however, the last of the people left stranded by the floods had been rescued, they added. Of 300,000 originally reported stranded, about 10,000 had remained to be rescued on Thursday, they reported earlier.

Rescuers used life boats or dropped life-saving devices to some by air, and people evacuated to higher ground put up makeshift shelters with tents dropped from planes or sent in by army units, the officials said.

The Yangtze River and its tributaries, swollen by heavy rains, burst their banks and flooded homes, streets and farmlands, sending people scrambling for safety and causing untold damage in central China.

It is the second time in two years that floods have turned the Yangtze into a killer-river after a heavy downpour. It is the longest river

in China winding through 5,500 kms of vital farmland. While some towns and cities — including east China's 12-million strong metropolis Shanghai — have been put on the alert, the army was called out to give people emergency help.

"The countryside looks an ocean dotted with islands here and there," said a Chengdu official contacted on the telephone by Agence France-Press. He said at least 400,000 hectares of farmland and two towns — Hechuan east of Chengdu, and Tongnan to the southeast — had been submerged by floodwaters.

An official in Shanghai — situated at the Yangtze River mouth — said special precautions had been taken by the municipal authorities not so much because of the present flooding, which has unlikely to affect the city, but more in case of sudden water swelling due to a seasonal typhoon. Newspaper reports said the provinces of Huboln Jiangxi, Anhui and Jiangsu had also been put on alert.

Serious flooding was also reported at the tourist spot Guilin in the autonomous Guangxi province bordering Vietnam. Newspapers raised the possibility of consequences for the Gezhouba hydroelectric project — the biggest of its kind in China — in Hubei. So far it has not been affected. Yangtze flooding a year ago coupled with serious drought in the north led China to call for international aid for the first time since the Communists came to power in 1949.

The Chengdu official said 141 municipal districts in Sichuan were affected by the flooding. Sichuan is China's most heavily populated province with 100 million people. The largest number of lives lost was in the town of Nanchong where 700 to 800 persons were reported to have died. In Chengdu, with a population of 1.5 million, there were 20 dead and in Chongqing (population two million) about 10 persons were killed. In Jintang, 70 to 80 lost their lives.

The official said that the loss of lives would have been higher had it not been for various precautionary measures taken by the authorities. Those who had died in Chongqing, for instance, were people who had refused to be evacuated when the river waters started rising.

In Chongqing itself, 120,000 persons had been evacuated, while in Bebei, a third of the small town's population had been moved to higher ground, about 50,000 in all.

Road and rail links between Chengdu and the industrial city of Chungking were cut off. A flood peak higher than that recorded on the Yangtze in 1905 was surging through the center of Chungking and was expected to hit the river port of Yichang at midnight Saturday. The floods spelt possible disaster for China's rice crop, much of which is grown in the fertile Yangtze valley.

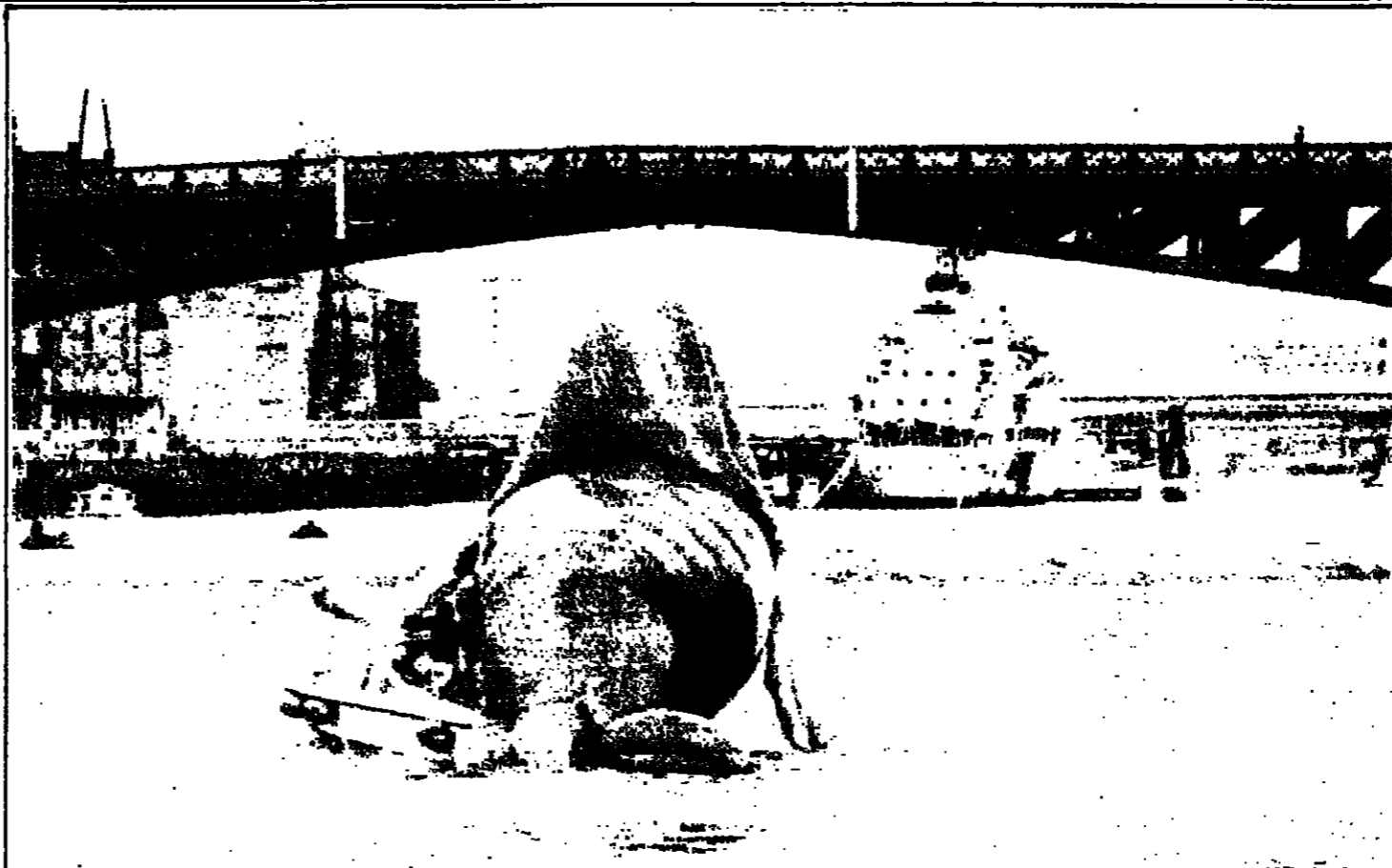
Widow granted one-third of treasure found

NORWICH, England, July 17 (AP) — A widow whose husband uncovered a hoard of Roman treasure valued at 260,000 pounds (\$494,000) is being given only one-third of the cash equivalent because he was late in reporting the find to the treasury.

Mrs. Greta Brooks was told Thursday she can keep only 87,160 pounds (\$165,604) worth of the gold and silver jewelry found by her late husband with a metal detector in November, 1979.

The hoard was held in a bank vault until it was declared six months later. But by that time, a warehouse had been built on the site where the treasure was found and an archaeological dig for further finds was impossible.

Normally, the treasury refuses to withhold payments to treasure-hunters if their finds are concealed. But it made an exception in the case of Brooks, who died last year. Mrs. Brooks said she was not disappointed with the size of the award and said she would give half the money to the owners of the site since her husband was no longer alive to enjoy it. "It is not the same without him," she commented.



CONSERVING WHALES: "Flo the Whale," an inflatable model used by the group Friends of the Earth, arrives at London's Tower Bridge Tuesday as part of the organization's campaign to conserve whales. Flo would be in London for the rest of the week, hoping to persuade Prince Charles to support the cause amid the worldwide publicity of his wedding July 29.

Poll under U.N. supervision

Cambodia declaration calls for truce

UNITED NATIONS, July 17 (AP) — Negotiators have agreed on a proposed declaration against the Vietnamese occupation of Cambodia after France produced compromise wording that broke a deadlock between China and Southeast Asian countries.

The International conference on Cambodia in session here since Monday is expected to adopt the declaration Friday afternoon before going into several months' recess.

Meanwhile, the working group that produced the declaration Thursday night will meet Friday to pick the members of a committee to promote a settlement in Cambodia in line with that declaration and to advise the president of the conference, Australian Foreign Minister Willibald Pahr, on when to reconvene it.

Stated objects of the 91-nation conference are to get foreign troops out of Cambodia, where 200,000 Vietnamese soldiers support Heno Samrin's government in Phnom Penh against Cambodian guerrillas, and to bring about a U.N.-supervised election in the country.

The proposed declaration calls for "a ceasefire agreement by all parties to the conflict" in Cambodia, the sending of a U.N. peacekeeping force to that country, the

U.N.-verified withdrawal of "all foreign forces" from Cambodia and a U.N.-supervised election to allow the Cambodians to name "a government of their own choice."

Those provisions were in a draft for the declaration submitted by the Association of Southeast Asian Nations, ASEAN, the countries that asked the 1980 General Assembly to call the conference. ASEAN includes Singapore, Thailand, Malaysia, Indonesia and the Philippines.

The ASEAN draft also said that before the election, all Cambodians should be disarmed and an interim administration should be established.

Such steps could be interpreted as undermining the authority of the Pol Pot government of Democratic Kampuchea, still recognized by the United Nations and still fighting against the Vietnamese occupation from western Cambodia. China, which helps that government, submitted a draft which differed did not call for either the disarming of troops or an interim administration.

Ambassador Tommy Koh of Singapore, chairman of the working group told a reporter that China was against the provisions for disarming soldiers and setting up an interim administration contained in the ASEAN draft. But he said France suggested amend-

ments to both provisions and China accepted them, withdrew its own draft and agreed to the ASEAN paper as amended.

The original draft had called for disarming all Cambodians, after the withdrawal of foreign forces, "to enable the holding of free elections."

A French amendment called for "appropriate arrangements to ensure that armed Kampuchean factions will not be able to prevent or disrupt the holding of free elections or to use intimidation or coercion in the election process, and ensure that armed Cambodians will respect the results of these elections."

Koh said "we received a commitment from the Chinese to ensure these three things" — meaning no disruption of elections, no intimidation of voters, and respect for the election results. The original draft called for "the establishment of an interim administration in Kampuchea pending the holding of free elections and the establishment of a new government."

The French amendment of that provision did not mention an interim administration but called for "appropriate measures for maintaining law and order in Kampuchea and for holding free elections."

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Mission visits Maze

U.K. soldier dies in shoot-out

BELFAST, July 17 (Agencies) — A British soldier wounded with two others in a shoot-up with Irish Republican Army in South Armagh near the Irish border died early Friday, an army spokesman said. He said an explosion occurred in the area half an hour before the shooting.

In a statement Friday the provisional wing of the overwhelmingly Roman Catholic IRA claimed responsibility for the attack.

Meanwhile, three Red Cross officials, apparently trying to break a deadlock over hunger strikes by jailed Irish Republican guerrillas, have visited the Maze prison near Belfast on a "humanitarian" mission which Irish Republicans say is a cosmetic exercise by the British government. They spent five hours Thursday at the prison where six members of the underground Irish Republican Army have died by refusing food and eight are at present fasting.

The IRA is fighting to unite the island of Ireland, comprising the Irish Republic in the south and the British province of Northern Ireland, and has been trying to drive British troops from the province.

Its men have demanded special status in

prison. The British government has refused to concede to their demands. Two of those still fasting have gone some eight weeks without food and are said to be extremely weak. Thursday a spokesman for Sinn Fein, the IRA's political wing, said the Red Cross mission was "a mere cosmetic exercise by the British government to make it look to the world that it is willing to move on the hunger strike crisis."

From page one

Deputy Defense Minister Mordechai Zipori said the Beirut headquarters were bombed because "we decided that it was necessary to deal with the head, and the head is in Beirut."

A seven-story building in Fakehani which housed the offices of the Popular Democratic Front for the Liberation of Palestine near Arab University was on fire from a direct hit. Black smoke billowed from another building near the security headquarters of Fatch group.

A commando spokesman said a large number of persons were believed buried in the rubble of the two buildings. Other buildings were hit closer to the Sabra Palestinian refugee camp east of Fakehani, but armed men sealed off the area.

The Palestine Liberation Organization (PLO) Friday said that the Israeli air raid constituted a "dangerous escalation" in hostilities and blamed the United States for the "act of barbarism."

The raid destroyed an engineering school besides a mosque and several houses, according to a communique from the PLO's supreme military council that met in emergency session Friday under the chairmanship of Yasser Arafat.

An authoritative source said that the PLO had instructed its forces to leave their positions in Fakehani because of the possibility of another raid.

Meanwhile, Philip Habib, Mideast special envoy of U.S. President Reagan, will visit Damascus Saturday, an official Syrian source said. Habib is to meet Syrian President Hafez Assad.

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Good Morning

By Jhad Al Khazem

A problem those who work in Saudi Arabia do not have is that of secretaries — female secretaries, that is, and, to be even more specific, the noble institution known here in Britain as that of "temporary secretaries" or "temps" for short.

Here in London I had a series of them — and all I can say as a result is: "Bless my dear, over-fifty-year-old secretary in Beirut in days gone by — and all those who are employing her at the moment, benefiting from her meticulousness, kindness and sheer wisdom." For the young ladies I had to work with here almost drove me round the bend.

Item one. I advertise for office help and in comes a young lady — very young. I take her around and show her the ropes and go back into my office so that she can get on with it. First there is ominous silence from the outer office where she is. Then strangled sobs developing into full hearted wails.

I rushed out asking what the matter was — and it was simple. The girl was homesick. She'd just come down to London from Nottingham to "seek her fortune," and this was her first job. She had thought it over and decided that she misses her folks so much that she had to go back to them — and let fortune take care of itself.

By then I was on the verge of tears too, of course, remembering Beirut the golden, etc. I had to let her go forthwith.

Item two. "This," said the employment agency manager, "is a veritable cracker." He explained that she'd just come in from the States and was really on the ball: all the latest in arts secretarial. I accepted her gladly and she soon turned up.

"No need to show me anything," she said. "Just go into your office and I'll start right away." Wonderful, I thought. Found her at last, the perfect secretary. And it was true. At least for the first hour: My mail was brought in all neatly opened and sorted out, my calls are taken down and made...

Then suddenly, with her alone in the front office, I heard what sounded like a gunshot. I jumped with terror. Beirut all over again. Blood in the street. I rushed in and there she was, sitting placidly, chewing gum in mouth — and she did it again: formed a balloon and then burst it.

"No chewing gum in this office!" I ordered resolutely.

"No chewing gum, no office!" was the equally resolute answer.

Translated from Ashary Al Awad

Humber bridge opened

HULL, England, July 17 (AP) — Queen Elizabeth II Friday formally opened the Humber suspension bridge, containing the longest single span in the world of 4,626 feet. Four years behind schedule and 60 million pounds (\$114 million) over budget, the 1.37-mile bridge first opened to traffic on June 24.

IMPORTANT ANNOUNCEMENT FROM SAUDI ARABIAN MONETARY AGENCY (SAMA)

Saudi Arabian Monetary Agency (SAMA) would like to draw the attention of the travelling public to the financial laws and regulations of most of the Arab and other foreign countries including some European and Asian countries which strictly prohibit national currency being brought into their respective countries.

Simultaneously, these same countries prohibit exporting foreign currencies unless the concerned tourists or visitors can prove with evidence, that the same had been brought with them on their arrival to that country.

Competent authorities in the Saudi Arabian Kingdom have received complaints from citizens who were confronted with similar problems and their money confiscated due to their failure to comply with currency regulations of various countries.

So, in order to avoid such incidents citizens are kindly requested to seek the advice of airlines and travel agencies on the currency restrictions of countries they propose to visit. And abide by those currency exchange regulations and procedures.

Our citizens can also ask the assistance and advice of the local banks. They deal with the transfer of money to foreign countries, both in traveller's cheques and bank drafts, in the best and safest way. Let them suggest the most suitable form of carrying foreign exchange on your next trip.